Volume 4, Issue 1
1Q 2015
Published Quarterly

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- Add high-yielders to your portfolio in 2015
- Identify investment gems

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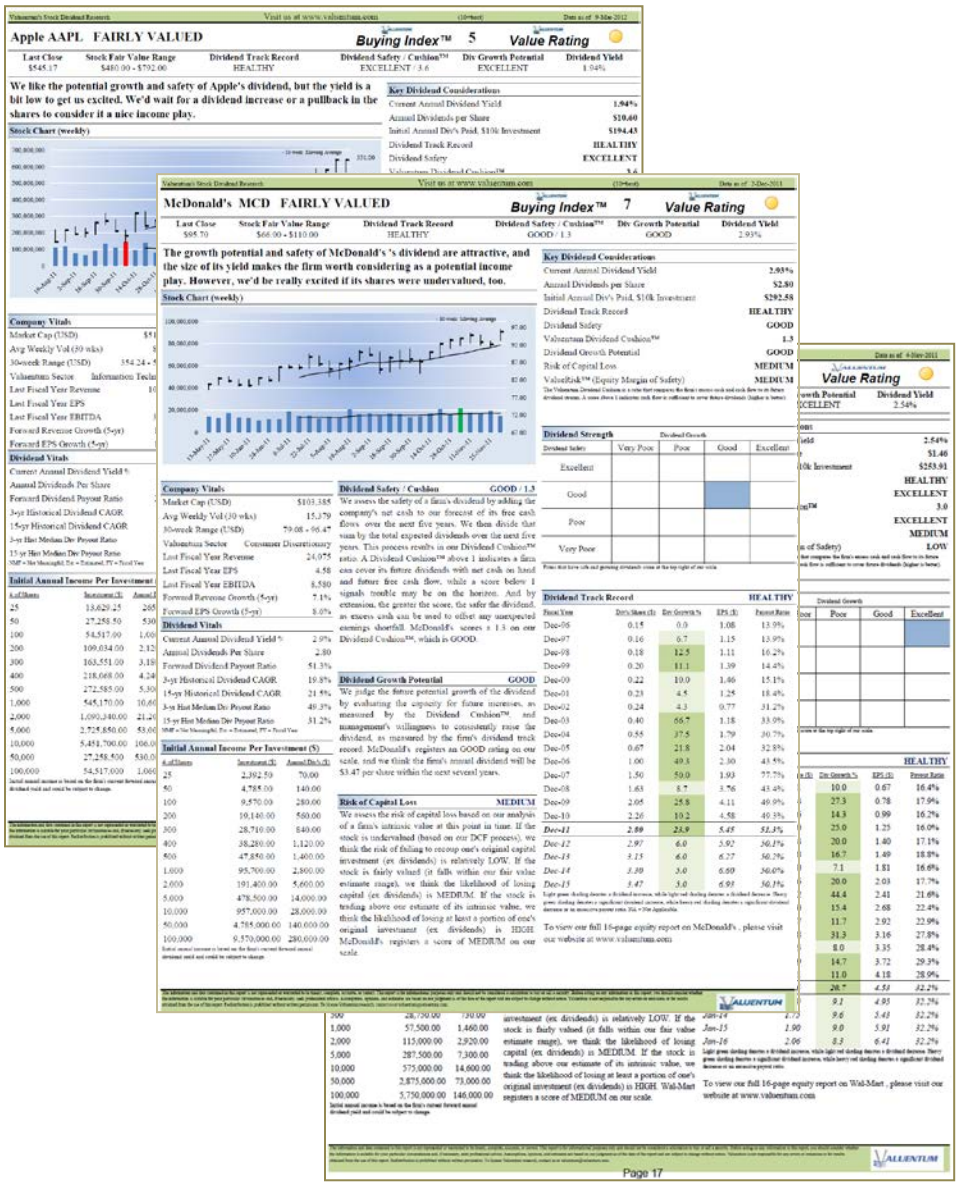
# *Dividend100™*



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**Brian Nelson, CFA**
President, Equity Research
brian@valuentum.com
c - +1 (708) 653-7546

# How to Best Use the Valuentum *Dividend100* Publication

Dividend investors literally have thousands of income stocks to choose from. So what are they to do, and where can they go for the most trusted forward-looking opinions on dividend growth and safety? That's the question we seek to answer with our Valuentum *Dividend100* publication. In this document, we showcase the top 100 high-quality, dividend growth gems within our coverage universe. Whether you're looking to build a portfolio consisting of high-yielding, dividend-growers or simply seeking to augment it with a few income gems, the Valuentum *Dividend100* is an essential resource for you and any income investor. We outline some of the key components of our *Dividend100* publication below, and explain how you can get the most from each of one.

**Our Dividend Methodology – the Valuentum Dividend Cushion™ (VDC)**

As followers of Valuentum know, all of what is known is in the past, and all of what has value is in the future. This truism is especially relevant for income investors. Though we give credit to firms that have strong track records of increasing their dividends in decades past, we care more about dividend-growth gems that have both the capacity and willingness to raise their dividends long into the future. At the beginning of this publication, you'll find several articles that explain the relevance and importance of Valuentum's innovative, forward-looking dividend methodology to income investors interested in uncovering high-yielding, dividend growth stocks in today's volatile market.

**Company Index, Yield Table, VDC™, and VBI™ Rankings**

Before you dive into the latter pages of this expansive document, it may be useful to first start with the company index, yield table, Valuentum Dividend Cushion™ (VDC) rankings, and Valuentum Buying Index™ (VBI) rankings at the front of this publication. The company index showcases some of the most important information about the firm: its industry, investment style, market capitalization, etc. And the yield table ranks firms based on their current

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annual dividend yield, helping you quickly identify the top high-yielders with the greatest prospects for long-term dividend growth. Firms that top our Valuentum Dividend Cushion™ scale have the greatest capacity for future dividend growth, in our opinion.

Although there are a plethora of companies that have higher annual yields than those at the top of our yield table, we're fine with that. As many investors know, firms can often become cheap for good reasons. That is, they are not trading cheaply because of Mr. Market's irrational behavior, but instead are trading at depressed levels due to deteriorating underlying fundamental characteristics that actually justify its current share price, even if traditional valuation techniques (read multiple analysis) suggest the firm's shares are inexpensive. On a similar note, firms that boast high dividend yields may do so because the market has little confidence in the sustainability of its dividend and believes a cut may be just around the corner.

In this publication, we want to make sure that the firms we include have the strongest dividend profiles (with respect to dividend growth and safety) and can deliver on their respective outsize payouts long into the future. We also show how these top dividend-paying firms stack up on our innovative Valuentum Buying Index™.

**Forward-Looking Dividend Reports**

In the heart of the *Dividend100*, we provide our forward-looking dividend reports of the top 100 high-quality, dividend-growth gems within our coverage universe. Each page is filled with valuable information about the company in general and its dividend more specifically, including but not limited to our assessment of its growth potential and safety (as well as its VDC™ score). Plus, we don't use fancy language, but instead scale our assessment of each company's dividend profile in easily-understood terms (Excellent, Good, etc.).

We also provide future estimates of a firm's annual dividend payout. In many cases, we may have a different view of a firm's dividend growth potential than what may be widely held in the investment community. That's fine by us, as our dividend-growth investment horizon is often longer than others. We want

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to make sure that the firm has the capacity and willingness to increase the dividend years into the future and will not be weighed down by an excessive debt load or cyclical or secular problems in fundamental demand for their products/services.

If at any time, you need further explanation about a data point in our reports, please refer to the Glossary at the end of the publication for more information.

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**Contributors:**

**Brian Nelson, CFA**
President, Equity Research
brian@valuentum.com
+1 (708) 653-7546

# Financial Analysis 101: How Dividends Impact Valuation

Many investors use dividend growth investing as a means to generate income for their portfolios. We think it's important to understand how dividends impact valuation, why Valuentum likes dividend growth investing (which may be different than why other professional research firms do), and we'd also like to offer three dividend growth ideas for consideration—all in the spirit of wanting you to get the most out of your investments. In this article and for analytical purposes, we use dividend and distribution interchangeably, even though the tax implications for investors are different.

To get started, let's first conceptualize income transfer versus value creation in a simple example.

**Income Transfer versus Value Creation**

*Bear with us as we walk through a very straightforward example first, and then we'll move into more real-life situations.*

Let's imagine for a minute that you gave $1,000 to your co-worker for a piece of paper, and the co-worker said that in exchange he or she would pay you a $1 a year and increase the payment 5% each year into perpetuity until the $1,000 ran out. At any time, you could give the paper back, and your co-worker would return the remaining money to you in full.

Absent the time value of money (i.e. the discount mechanism that links the value of tomorrow to today), what is the value of this relationship to you? And when he or she pays you more and more each year, should you grow more and more excited about it?

The answer to the first question is that the relationship to you isn't really worth anything. You could have $1,000 right now by giving the paper back or your co-worker would eventually provide you with an annual income stream until you finally receive $1,000 in its entirety in the future. Absent the time value of money, these two scenarios are equal. Raising the payout to you each year shouldn't make you more or less excited in this example.

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The only real value of this relationship is if somehow your co-worker would be able to grow the $1,000 you gave him for your benefit. If instead, for example, let's say the co-worker would replace all payments that are given to you with his or her own personal earnings such that at any time he or she would have $1,000 to give to you in exchange for the paper. That would be fantastic! Then the value of this relationship to you would be a growing perpetuity function: [$1 * (1.05)]/0.05 = $21. Essentially, the co-worker is creating $21 in value for you because he is generating earnings for you, assuming a 10% discount rate (for illustrative purposes).

The value of a relationship where one party pays an income stream to another is not in the income stream itself, but in the actions one party takes to replenish that income stream such that it can continue to be paid in the future. Said differently and perhaps in more relevant terms, the value of a dividend-paying firm is not in the income itself, but in the actions the dividend-paying firm takes to replenish that income stream such that it is sustainable.

**A Real-life Example**

Let's say you bought 1,000 shares of Southern Company (SO); it would cost you about $45,100 at today's prices, excluding commissions. The company pays out $2.10 per share in annual dividends, so each year you would receive about $2,100 plus the growth in the payout. Assuming the utility grows its dividend at a 2% annual clip, it would take about 20 years for you to receive all of your money back from dividends. If no further transactions are performed, the firm has simply transferred the money you invested in it back to you over this time period.

The only value accruing to you as a shareholder of Southern Company through Year 20 is the earnings and cash flows generated by the firm to replace the money it has paid out as dividends to you over the years. This value would be reflected in its stock price in Year 20, which will be based on future expectations of earnings and free cash flows at that time.

Said differently, what Southern Company pays as dividends to you is not a source of value – the company is simply paying the money you've invested in

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it back to you. Value, instead, is generated by the earnings that replace the income stream that Southern Company provides to you. The transfer or the structuring of income from one party to another is best described as a source of convenience (or inconvenience depending on tax rates), but it is not a source of economic value creation.

*Note: In this example, Southern Company does not receive the money you invest in it in the secondary market, but the example illustrates the point correctly from the investor's standpoint.*

**How Dividends Impact Valuation**

Let's walk through the valuation adjustments we perform when a firm pays a dividend. Let's use Dividend Aristocrat 3M (MMM) in this example. Below, please find the company's valuation breakdown, as of its report dated December 25, 2013.

| Valuation Assumptions | |
|---|---|
| In Millions of USD (except for per share items) | 5-year Projections |
| Revenue CAGR % | 4.4% |
| Avg. EBIT Margin % | 23.1% |
| Avg. Cash Tax Rate % | 29.0% |
| Earnings Before Interest CAGR % | 7.6% |
| Earnings Per Share CAGR % | 6.8% |
| Free Cash Flow to the Firm CAGR % | 20.1% |
| Earnings before interest = Net operating profits less adjusted taxes | Long-term Projections |
| Phase II --> III FCFF CAGR % | 2.2% (II) 3% (III) |
| Cost of Equity % | 9.8% |
| After-tax Cost of Debt % | 3.9% |
| Discount Rate (WACC) % | 9.5% |
| Synthetic credit spread = 1.217% | Results |
| Phase I Present Value | 19,860 |
| Phase II Present Value | 34,180 |
| Phase III Present Value | 21,548 |
| Total Firm Value | 75,587 |
| Net Balance Sheet Impact | -2,285 |
| Total Equity Value | 73,302 |
| Diluted Shares Outstanding | 703.3 |
| Fair Value per Share | $104.00 |

Image Source: Valuentum

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There are two items that we'd like you to focus on in this example (image above): the line item 'Net Balance Sheet Impact', which is -$2.285 billion (negative $2.285 billion) and the line item 'Diluted Shares Outstanding,' which is 703.3 million shares.

Both of these figures can be found in 3M's most recent annual report 10-k (see pages 47 and 48). On page 47 of that document, you'll see the denominator we use in valuation, 'Diluted Shares Outstanding': 703.3 (million). It can be found near the bottom of the income statement.

On page 48, you'll see how we arrive at the 'Net Balance Sheet Impact': cash and cash equivalents ($2.883 billion) + marketable securities ($1.648 billion) less long-term debt ($4.916 billion) less short-term borrowings ($1.085) and less two additional items we adjust for: capital lease obligations ($71 million) and the underfundedness of the company's pension ($744 million) or our estimate of its current funding status (the pension was more than $1.9 billion underfunded at the end of 2012, page 79).

Net Balance Sheet Impact = $2.883 + $1.648 - $4.916 - $1.085 - $0.071 - $0.744 = -$2.285

On December 17, 3M significantly increased its quarterly dividend to $0.855 per share from $0.635 previously. The same day the company issued another press release: "3M Affirms Long-Term Sales and Earnings Growth Objectives, Addresses 2014 Outlook." Even though 3M reaffirmed its long-term sales and earnings growth objectives (no news) and issued a 2014 outlook of $7.30-$7.55 per share, bounding the consensus estimate of $7.40 per share (in-line outlook), shares rocketed higher. The dividend increase (not better than expected future value creation) has propelled 3M's shares from being slightly overvalued to irrationally over-priced—all because of a higher income transfer to shareholders (a higher pass through of cash that the shareholder owned anyway).

Assuming that there will be 703.3 million shares outstanding at the time the company goes ex-dividend (2/12/14), the cash transfer from the company to the shareholders would be $601.3 million; 703.3 million x $0.855. Therefore, the new value of 3M, using the balance sheet as the adjustment factor (since

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dividends are paid in cash), would be ratcheted down by $601.3 million. The 'Net Balance Sheet Impact' becomes a larger 'negative' and the equity value of 3M would go from $73.3 billion (see image above) to $72.7 billion, and the fair value estimate would be $103.375 per share. You'll notice that the valuation adjustment is precisely the amount that the company pays to shareholders in cash.

The only way that 3M can increase our estimate of its fair value is if it drives better-than-expected earnings and free cash flows (relative to our forecasts), which would increase the discounted value over our three-stage model and bolster total firm (enterprise) value. Dividends are a transfer of cash to the shareholders that the shareholders owned anyway (1). Said differently, shareholders owned the cash paid out in dividends whether the company holds it or they hold it. Increasing a dividend is not a value-creating endeavor.

*(1) Special example: Paying a dividend can be 'value-preserving' if the management team would have otherwise destroyed value by overpaying for an acquisition or buying back expensive stock with the cash it instead used to pay the dividend.*

**Why Did 3M's Stock Price Increase (in our opinion)?**

Stock prices can move around for a large number of factors. We think the popularity of dividend growth investing as a style, 3M's well-known participation in the Dividend Aristocrat list, and the magnitude of the dividend increase (35%) were all contributing factors. 3M now yields ~2.5% and the size of the increase may have pushed some dividend growth investors to diversify into its stock on hopes of further dividend increases.

Though we agree that 3M's Valuentum Dividend Cushion score indicates a strong potential for additional dividend advances, 3M has not created *economic* value by this move, and we believe the rapid surge in its equity price is based entirely on the speculation of a non-value creating event: future dividend increases. To us, 3M is a fantastic company with excellent dividend growth prospects, but its shares are irrationally overpriced because of the same reasons.

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## Why Do We Like Dividend Growth Investing?

We think dividend growth investors are quite savvy, especially when they combine a rigorous dividend growth process in the form of the Valuentum Dividend Cushion with the valuation rigors behind the Valuentum Buying Index. Let's examine the three reasons why we like the investing style.

### *#1. Fool Me Once, Shame on You…Fool Me Twice, Shame on Me*

Today's dividend growth crowd has seen enough. First, they witnessed the dot-com bubble (1997-2000), a period in stock market history where firms' stock prices soared in some cases as a result of just adding an "e-" prefix to their names or a ".com" at the end. Today's dividend growth investors then witnessed these same firms' share prices fall precipitously (Infospace's shares fell from $1,305 to $22 each), and in other cases, saw complete company failures (Pets.com, Boo.com, GovWorks.com).

Shortly thereafter, today's dividend growth crowd heard about the Enron scandal and the dissolution of Arthur Andersen, followed by Worldcom and Tyco International--unfortunately, the list goes on and on. The accounting scandals added to the distrust of companies that was only exacerbated by the conflicts of interest brewing within the global financial system. Today's dividend growth investor was nearing the breaking point.

The Global Settlement in 2003 finally separated the investing banking and analysis departments at the largest investment banks, but this wasn't enough. Today's dividend growth crowd still doesn't believe sell-side research from investment banks is completely free from conflicts of interest. After all, how could it be when sell-side researchers still get paid based on commissions crossing their trading desks? Today's dividend growth crowd knows that sell-side analysts are just that: sales people. Today's dividend growth investor generally prefers independent research from firms that are free of bias, firms such as Valuentum.

If the scandals of yesteryear weren't enough for today's dividend growth crowd to completely abandon the stock market at that time, they then witnessed the real estate bubble through the latter part of last decade and the collapse of equity prices during the Great Recession. The fall of Lehman

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Brothers and Washington Mutual and the collapse of AIG (AIG) and General Motors (GM) coupled with the terrible ratings assigned to certain tranches of MBS by the credit rating agencies only deepened the distrust that had been brewing within today's dividend growth crowd since the beginning of this century. When the S&P 500 bottomed under 700 in March of 2009, that was it!

"Fool Me Once, Shame on You…Fool Me Twice, Shame on Me" – says today's dividend growth investor.

***#2. Dividend Growth Investors Act as Business Owners***

After being burnt by the stock market one too many times, today's dividend growth investor no longer accepts the idea that capital appreciation is the only way to gain long-term wealth in the stock market. Instead, today's dividend growth crowd has learned the power of compounding cash flows in the form of dividends. After all, seeing the dividend check hit their bank account is real – what an analyst at a sell-side shop says may or may not be the real deal.

Just like a business owner invests the cash flows of the business to generate even more cash, today's dividend growth investor wants to re-invest dividends to generate even more dividends. Today's dividend growth investor is no longer betting on long-term capital appreciation in a stock market that has worked against investors for the past few decades, but instead today's dividend growth investor is assessing the strength and safety of a firm's dividend via the Valuentum Dividend Cushion to ensure that these cash flows can be paid in the future. Today's dividend growth investor views dividends much like a business owner views free cash flow.

And just like Warren Buffett doesn't care about the decline of a stock price as long as the firm's competitive advantages remain intact and its cash-flow stream remains robust, dividend growth investors are the same. They do not care if shares of their dividend growth gem fall, as long as the underlying strength of the business is not damaged or the future cash flows that fund the dividend are not impaired. Today's dividend growth investors have become

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business owners focused on the future free cash flows delivered to them (dividend payments). The stock market might never be the same.

***#3. Retirement Goals Have Become Achievable***

Today's dividend growth investor is no longer interested in listening to a stock-market guru at an investment bank forecast the expected return on equities over the next few decades. They don't believe in this anymore. Today's dividend growth investor is calculating when their expected dividend yield on cost will be sufficient to generate a nice annual income stream for retirement. They are taking their destiny in their own hands.

Today's dividend growth investor is making use of a variety of different tools, including Valuentum's Dividend Growth portfolio management tool. They are calculating when their investment will double on the basis of the rule of 72 via dividends paid to them. Some are laser-focused on the Valuentum Dividend Cushion scores of their dividend growth firms to ensure growing cash flows will continue to come in. They have found a way to achieve their retirement goals without exposing themselves to all of which they have come to distrust in the stock market.

They have found a way to make the stock market work for them. And we applaud today's dividend growth investor!

**Enter: The Truth about Dividend Growth Investing**

History has revealed that the best performing stocks during the previous decades have been those that shelled out ever-increasing cash to shareholders in the form of dividends. In a recent study, S&P 500 stocks that initiated dividends or grew them over time registered roughly a 9.6% annualized return since 1972 (through 2010), while stocks that did not pay out dividends or cut them performed poorly over the same time period (Source: Ned Davis Research).

But paying a dividend in itself is not a value-creating move by a company, a statement that gets swept under the rug in the presence of the above data. Investors should understand that a dividend is a transfer of income, not a way that a company generates *economic* value for shareholders. Individual

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investors, financial advisors and even professional money managers love dividend growth investing, but investors should be skeptical of dividend stock pitches that do not consider capital preservation as a major consideration.

There is a heightened risk, in our view, that sell-side analysts may even stretch valuations in the years ahead to keep high-flying dividend-growth stocks from being excluded as options in individuals' portfolios. Individual investors, financial advisors, and money managers alike should start asking the hard questions, especially in the context of a potentially increasing interest rate environment (which could damage dividend growth stock valuations). Having an independent research provider such as Valuentum to provide an objective and independent valuation assessment will only become more valuable in the years ahead, if only for a second opinion.

**What Are Dividend Growth Investors to Do?**

We think a focus on underpriced stocks that have strong dividend growth potential, healthy balance sheets, and solid cash-flow generation is the best way to position for future risks that run the gamut from interest rate spikes to dividend growth investing falling out of favor. These firms generally have both a high Valuentum Buying Index score and a high Valuentum Dividend Cushion score. The following are three potential ideas from the ~15 holdings in the Dividend Growth portfolio.

*Altria (MO) – Dividend Cushion: 1.1;* ***Dividend Yield: 4.2%***

We continue to prefer Altria on the basis of its hefty annual dividend yield. The company continues to raise the dividend at a nice clip and holds a prized 27% ownership stake in SABMiller, which continues to perform well. SABMiller currently sports a ~R800 billion market capitalization (or about $80 billion USD at current exchange rates), which means Altria is effectively sitting on $21.6 billion in potential cash (about 30% of its market capitalization) at current price levels. We think this hidden asset within Altria's portfolio is the primary difference between our fair value of Altria and its market price. Altria remains a core holding in the portfolios of our Best Ideas Newsletter and Dividend Growth Newsletter. We think Altria's shares are worth more than $45 each.

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*Apple (AAPL) – Dividend Cushion: 4.7;* ***Dividend Yield: 1.7%***

We think consensus estimates for Apple's earnings through the middle part of this decade are too low (on the basis of the recent China Mobile transaction and the coming launch of the iPhone 6). The company's committed entrance into China bolsters the sustainability of the firm's long-term earnings stream, offering support for our estimate of its cash-flow based intrinsic value. We like the company's track record of innovation and its extremely healthy balance sheet that will pave the way for significant dividend growth and opportunistic share buyback opportunities. We believe Apple's shares are worth north of $130 and more than $150 on the basis of the high end of the fair value range.

*Microsoft (MSFT) – Dividend Cushion: 3.3;* ***Dividend Yield: 2.6%***

Microsoft continues to be a no-brainer. The firm has robust free cash flow, a rock-solid balance sheet, and significant revenue and earnings growth potential. As we continued to pound the table on shares for much of the past two years—the company is one of the largest weightings in the portfolio of our Dividend Growth Newsletter—others said Microsoft was 'dead money' and would continue to be. We think Microsoft will be one of the strongest dividend growth firms for many years to come. We value shares at $58 each.

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**Contributors:**

**Brian Nelson, CFA**
President, Equity Research
brian@valuentum.com
+1 (708) 653-7546

# How Members Use Valuentum's Investment Services

Many members have asked about the best way to use our services. Let's walk through the topic.

First, please allow me clarify a few things. We serve a wide variety of investors, including dividend growth investors, value investors, and pure Valuentum investors, among others. Many different types of investors and professionals use our research in a whole host of applications from individual stock-selection to the evaluation of closed-end funds to an overlay in a money-management setting and beyond. We think it's important that, if you're a strict dividend growth investor, for example, that you're not "thrown off" if you read something on the website about the Valuentum process. And likewise, if you're a strict practitioner of the Valuentum system, you should be aware that we also serve dividend growth investors, and our research evaluates the health and long-term growth potential of a company's dividend. Many different strategies have significant benefits for many different types of investors.

With that out of the way, let's get started. At Valuentum, we are bound by an internal code of ethics that prevents us from making any specific and personal recommendations. We don't think this is unique to Valuentum. To our knowledge, other investment research publishing companies are bound by these rules, too. We offer our opinion of an investment via its attractiveness on the basis of the Valuentum Buying Index and the attractiveness of the company's valuation via our estimate of its fair value range. The Valuentum Buying Index is based on volumes of research and the experiences of many of the most influential investors, from Benjamin Graham and Warren Buffett to Peter Lynch and T. Rowe Price, Jr. On our website, we don't have buy, hold, or sell recommendations that you might find at brokerage firms, for example (we're not a broker).

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On our website and in any correspondence, we can only tell you the goals of our process and newsletter portfolios and/or our opinion of the company's valuation and business fundamentals. We can't tell you what actions you should take because we're not aware of your risk tolerances, personal financial situation, and goals. We can only tell you what we are doing. *We can never tell you to buy XYZ company right now*, even though this may be what many members want. That being said, it's perfectly reasonable to assess what we're trying to do and see if that's a fit for you. Do the goals of the newsletter portfolios fit well with what you're looking for? Are you looking for the next *incremental* idea via our transaction alert emails? Does an in-depth valuation process that covers both discounted cash-flow valuation analysis and relative valuation analysis meet your objectives? Do you want to utilize timeliness indicators in a value-based setting? Does the Valuentum Dividend Cushion ratio help you understand the strength and safety of dividend holdings in your income portfolio? Do you require underpriced ideas with strong dividend growth prospects? You choose your own path, and you decide what is best for you.

That said, our favorite investment ideas at any given time are always included in the actively-managed portfolios—the Best Ideas portfolio and Dividend Growth portfolio—and the goals of the respective portfolios are as follows:

> The Best Ideas portfolio seeks to find firms that have good value and good momentum characteristics and typically holds each idea from a Valuentum Buying Index rating of a 9 or 10 (consider buying) to a rating of a 1 or 2 (consider selling). Just like a value manager may not include every single undervalued company in the market in his/her portfolio, not all highly-rated companies on the Valuentum Buying Index are included in the portfolio. We may tactically add to or trim existing positions in the portfolio on the basis of sector or broader market considerations, but we seek to capture a stock's entire pricing cycle (from being underpriced with strong momentum to being overpriced with poor momentum). The goal of the Best Ideas portfolio is to generate a positive return each year and to exceed the performance of a broad market benchmark.

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The Dividend Growth portfolio seeks to find underpriced dividend growth gems that generate phenomenal levels of cash flow and have pristine, fortress balance sheets, translating into excellent Valuentum Dividend Cushion ratios. Firms in the portfolio may have lengthy dividend growth track records, but we focus most of our efforts on assessing the *future* safety and dividend growth potential of holdings. The goal of the Dividend Growth portfolio is to generate a mid-to-high single digit annual return over rolling three-to-five year periods. We have yet to have a Dividend Growth portfolio holding cut its dividend, and we credit this to the Valuentum Dividend Cushion methodology.

If one of the portfolio's goals matches up to what you're looking for, that portfolio or the ideas within it may be of interest to you. Some investors phase into the positions of the portfolios over time and replicate the portfolios in their entirety, while others like to cherry-pick their favorite ideas out of them. Others may wait for the next transaction alert email (long idea) to catch our thoughts on where incremental alpha can be generated in a *portfolio* setting. And others like to monitor the Valuentum Buying Index rankings list and 'undervalued' list for even more ideas. The screens are always available on the left column of our website. And still others like to overlay the Valuentum Buying Index ratings and Valuentum Dividend Cushion ratios with their own process to arrive at a combined strategy. The uses of Valuentum's services are many and varied.

You may have noticed that we also offer a full suite of products to financial advisors that range from an Excel-based screening tool to 'Ideas' and 'Dividend' publications that are released on a quarterly basis. Since advisors have a wide variety of clients with different needs and goals, we offer them a wide variety of detailed information. Our research product includes thousands of reports, fair values, fair value ranges, associated commentary, and hundreds of dividend reports with Valuentum Dividend Cushion ratios and expected dividend growth rates. We also have an Excel-based three-stage discounted free cash flow valuation model backing every fair value range in our coverage universe. Some members subscribe to our service *only* to gain access to the detailed valuation infrastructure behind our fair value estimates.

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During the past few years, we've received quite a few questions on which membership plan may be most appropriate. The $149.99/year premium plan is among the most popular among individual investors. It offers complete access to the website, monthly newsletters, newsletter portfolios, and transaction alert emails. Investors of all types can benefit from the advisor plan at $499.99/year, which includes access to the quarterly publications and discounted cash-flow valuation infrastructure. Many individual investors have upgraded their subscription over the years.

We are honored to be working with you, and we hope this helps answer your questions. At any time, please don't hesitate to reach out to us.

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**Valuentum Analysts**
analysts@valuentum.com

# Digging Into the Valuentum Dividend Cushion™

History has revealed that the best performing stocks during the previous decades have been those that shelled out ever-increasing cash to shareholders in the form of dividends. In a recent study, S&P 500 stocks that initiated dividends or grew them over time registered roughly a 9.6% annualized return since 1972 (through 2010), while stocks that did not pay out dividends or cut them performed poorly over the same time period.

**The Outperformance of Dividend Payers Over Time**

Source of the chart data: Ned Davis Research, 12/31/10. Image Source: Capital Markets Perspectives, "Investing for Dividend Growth", Oppenheimer Funds. Based on an equal-weighted geometric average of total return of dividend-paying historical S&P 500 Index stocks, rebalanced annually. The chart uses actual annual dividends to identify dividend-paying stocks and changes on a calendar-year basis. Past performance does not guarantee future results.

Such analysis is difficult to ignore, and we believe investors may be well-rewarded in future periods by finding the best dividend-growth stocks out there. As such, we've developed a rigorous dividend investment methodology that uncovers firms that not only have the safest dividends but also ones that are poised to grow them long into the future.

How did we do this? Well, first of all, we scoured our stock universe for firms that have cut their dividends in the past to uncover the major drivers behind the dividend cut. This is what we found out: The major reasons why firms cut their dividend had to do with preserving cash in the midst of a secular or

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cyclical downturn in demand for their products/services or when faced with excessive leverage (how much debt they held on their respective balance sheets).

**The Importance of Forward-Looking Dividend Analysis**

Armed with this knowledge, we developed the forward-looking Valuentum Dividend Cushion™, which is a ratio that gauges the safety of a dividend over time.

Most dividend analysis that we've seen out there is backward-looking – meaning it rests on what the firm has done in the past. Although analyzing historical trends is important, we think assessing what may happen in the future is even more important. The S&P 500 Dividend Aristocrat List, or a grouping of firms that have raised their dividends for the past 25 years, is a great example of why backward-looking analysis can be painful.

In fact, one only has to look over the past few years to see the removal of such big names from the Dividend Aristocrat List like General Electric (GE) and Pfizer (PFE) to understand that backward-looking analysis is hardly worth your time. After all, you're investing for the future, so the future is all you should care about. We want to find the stocks that will increase their dividends for 25 years into the future, not use a rear-view mirror to build a portfolio of names that may already be past their prime dividend growth years.

The Valuentum Dividend Cushion™ measures just how safe the dividend is in the future. It considers the firm's net cash on its balance sheet and adds that to its forecasted future free cash flows and divides that sum by the firm's future expected dividend payments. At its core, it tells investors whether the firm has enough cash to pay out its dividends in the future, while considering its debt load. If a firm has a Valuentum Dividend Cushion™ above 1, it can cover its dividend, but if it falls below 1, trouble may be on the horizon.

In fact, the Valuentum Dividend Cushion™ would have caught every dividend cut made by a non-financial, operating firm that we have in our database, except for one (Marriott). But interestingly, our Valuentum Dividend

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Cushion™ indicated that Marriott should have never cut its dividend, and sure enough, two years after the firm did so, it raised it to levels that were higher than before the cut.

Here are the results of our study (a Valuentum Dividend Cushion™ below 1 indicates the dividend may be in trouble). The Valuentum Dividend Cushion™ score shown in the table below is the measure in the year before the firm cut its dividend, so it represents a predictive indicator:

**The Valuentum Dividend Cushion Caught These Dividend Cuts in Advance**

A Valuentum Dividend Cushion Score Below 1 Indicates a Firm's Dividend Is At Risk in the Years Ahead

| Dividend Cutter | Cut Date | Dividend Cushion (Before Cut) | Reason for Dividend Cut |
|---|---|---|---|
| Avery Dennison (AVY) | 31-Jul-09 | 0.66 | Reduced dividend to support debt-reduction efforts. |
| ConAgra Foords (CAG) | 16-Mar-06 | -0.59 (1) | Restructuring, divestitures. |
| Constellation (CEG) | 18-Feb-09 | -4.36 | Refocus on core business of generating and selling power. |
| DR Horton (DHI) | 6-May-08 | -0.03 | Housing turmoil. |
| Gannett Co. (GCI) | 25-Feb-09 | -0.06 | Excessive debt; preserve cash amid downturn of newspaper industry. |
| La-Z-Boy (LZB) | 17-Feb-09 | 0.89 | Suspended dividend to preserve cash amid downturn in home furnishings. |
| Marriott Intl (MAR) | 1-May-09 | 2.18 (2) | Suspended dividend in the wake of weak business travel, but dividend achieved record highs again, May 6, 2011. |
| Masco Corp (MAS) | 11-Feb-09 | -0.74 | Cut dividend to ensure ability to fund operations and service debt coming due. |
| New York Times (NYT) | 20-Nov-08 | 0.04 | Effort to preserve cash. Downtum in newspaper industry. Loss of investment-grade credit rating. |
| Pfizer (PFE) | 26-Jan-09 | 0.54 | Bought Wyeth to diversify revenue base. Raised $22 billion+ in debt. |
| Sara Lee Corp (SLE) | 8-Aug-06 | 0.70 | Streamlining operations, business unit divestitures to raise cash. |
| Sunoco Inc. (SUN) | 6-Oct-09 | -0.85 (3) | Poor margins, overseas competition. |
| SuperValu (SVU) | 20-Oct-09 | -5.78 | Rising unemployment, competition from Wal-Mart, etc. |
| Valero Energy (VLO) | 27-Jan-10 | 0.15 | Lower demand for gas and diesel. |
| Vulcan Materials (VMC) | 14-Oct-11 | -1.42 | Free up much-needed cash amid downturn in aggregate demand. |

(1) Forecast period for ConAgra, 2007 through 2011.

(2) Marriott is an instance where management prematurely cut its dividend, in our opinion. The Cushion reflected little risk at the time of cut, and sure enough Marriott restored its payout to record high

(3) Forecast adjusted to reflect Sunoco's poor free cash flow trends obey and last reported year.

Backtesting Methodology: Net balance sheet (year prior to dividend cut). Free cash flow for years beginning in year of dividend cut through reported years. If reported years do not total five, last reported year is extrapolated for remainder of forecast period. Dividends paid reflects what the dividends would be ex dividend cut.

At the very least, using the Valuentum Dividend Cushion™ can help you avoid firms that are at risk of cutting their dividends in the future. And we are the only firm out there that does this type of in-depth analysis for you. Plus, we not only provide the actual Valuentum Dividend Cushion™ number for our

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clients in our dividend reports and newsletter, but we also scale the safety of a firm's dividend in simple terms: Excellent, Good, Poor, Very Poor.

**But What about the Growth of a Firm's Dividend?**

It takes time to accumulate wealth through dividends, so dividend growth investing requires a long-term perspective. As a result, we assess the long-term future growth potential of a firm's dividend. And we don't just take management's word for what they will do with their dividend. Instead, we dive into the financial statements and make our own forecasts of the future to see if what they're saying is actually achievable. We use our Valuentum Dividend Cushion™ as a way to judge the capacity for management to raise its dividend – how much cushion it has – and we couple that assessment with the firm's dividend track record, or management's willingness to raise the dividend.

In many cases, we may have a different view of a firm's dividend growth potential than what may be widely held in the investment community. That's fine by us, as our dividend-growth investment horizon is often longer than others. We want to make sure that the firm has the capacity and willingness to increase the dividend years into the future and will not be weighed down by an excessive debt load or cyclical or secular problems in fundamental demand for their products/services.

Plus, we don't use fancy language for what we think of its future growth. We scale our assessment in an easily-interpreted fashion: Excellent, Good, Poor, Very Poor.

**What Ideas Are Included in Our *Dividend100* Publication?**

First of all, we're looking for stocks with dividend yields that are greater than the average of the S&P 500, or about 2% (but preferably much higher). This excludes many names, but we think such a cutoff eliminates firms whose dividend streams aren't yet large enough to generate sufficient income. Second, we're looking for firms that register an 'Excellent' or 'Good' rating on our scale for both safety and future potential growth. And third, we're looking for firms that have a relatively lower risk of capital loss, as measured by our estimate of the company's fair value.

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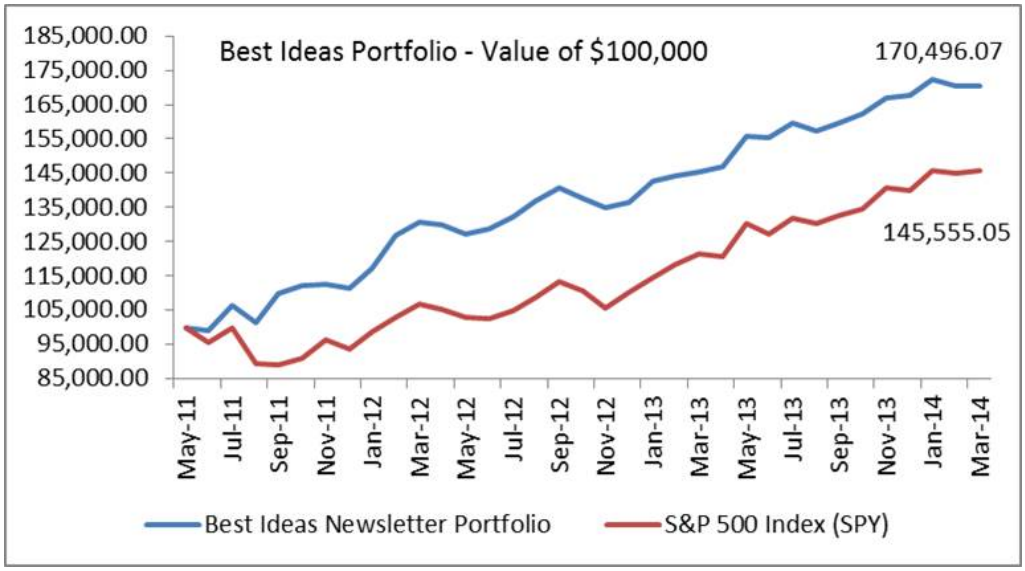
**Contributors:**

**Brian Nelson, CFA**
President, Equity Research
brian@valuentum.com
+1 (708) 653-7546

# Our Stock-Selection Methodology, the Valuentum Buying Index

**Our Methodology for Selecting Stocks -- the Valuentum Buying Index**

At Valuentum, we think the best opportunities arise from a complete understanding of all investing disciplines in order to identify the most attractive stocks at any given time. Valuentum therefore analyzes each stock across a wide spectrum of philosophies, from deep value through momentum investing. We think companies that are attractive from a number of investment perspectives--whether it be growth, value, income, momentum, etc.--have the greatest probability of capital appreciation and relative outperformance. The more deep-pocketed institutional investors that are interested in the stock for reasons based on their respective investment mandates, the more likely it will be bought and the more likely the price will move higher to converge to its true intrinsic value (buying a stock pushes its price higher). On the other hand, we think the worst stocks will be shunned by most investment disciplines and display expensive valuations, poor technicals and deteriorating momentum indicators.

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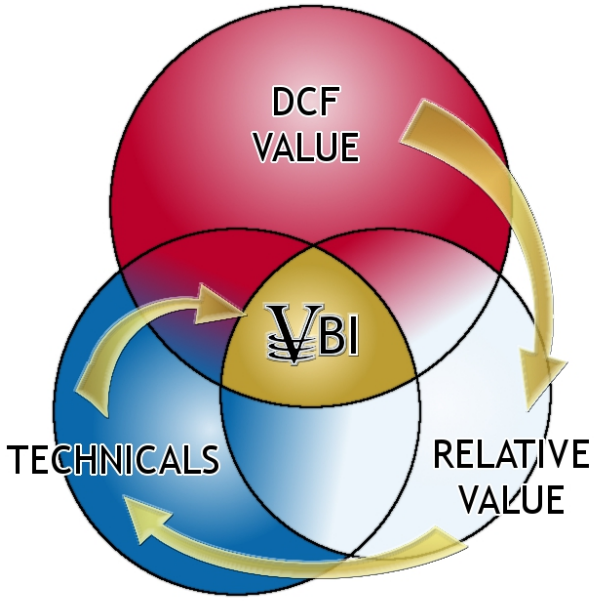
Stocks that meet our demanding criteria fall in the center of the Venn diagram below, displaying attractive characteristics from a discounted cash-flow basis, a relative value basis, and with respect to a technical and momentum assessment. The size of the circles reveals the relative emphasis we place on each investment consideration, while the arrows display the order of our process -- value first then technicals and momentum last. We may like firms that are undervalued both on a DCF basis and relative value basis, but we won't like firms just because they're currently exhibiting attractive technical or momentum indicators. We're not traders or speculators. We're long-term investors and want to have complete confirmation and conviction in the best ideas we deliver to our subscribers.




The center of the Venn diagram above, the Valuentum Buying Index (VBI) combines rigorous financial and valuation analysis with an evaluation of a firm's technicals and momentum indicators to derive a score between 1 and 10 for each company (10=best). Because our process factors in a technical and momentum assessment after we evaluate a firm's investment merits via our rigorous DCF and relative-value process, we're better able to pinpoint the best entry and exit points on the most undervalued stocks.

| VBI Score | Potential Action |
|---|---|
| 10 | Top Pick |
| 9 | We'd Consider Buying |
| 6 to 8 | Constructive (tactical add / trim) |
| 3 to 6 | Less Exciting (tactical add / trim) |
| 1 to 2 | We'd Consider Selling |

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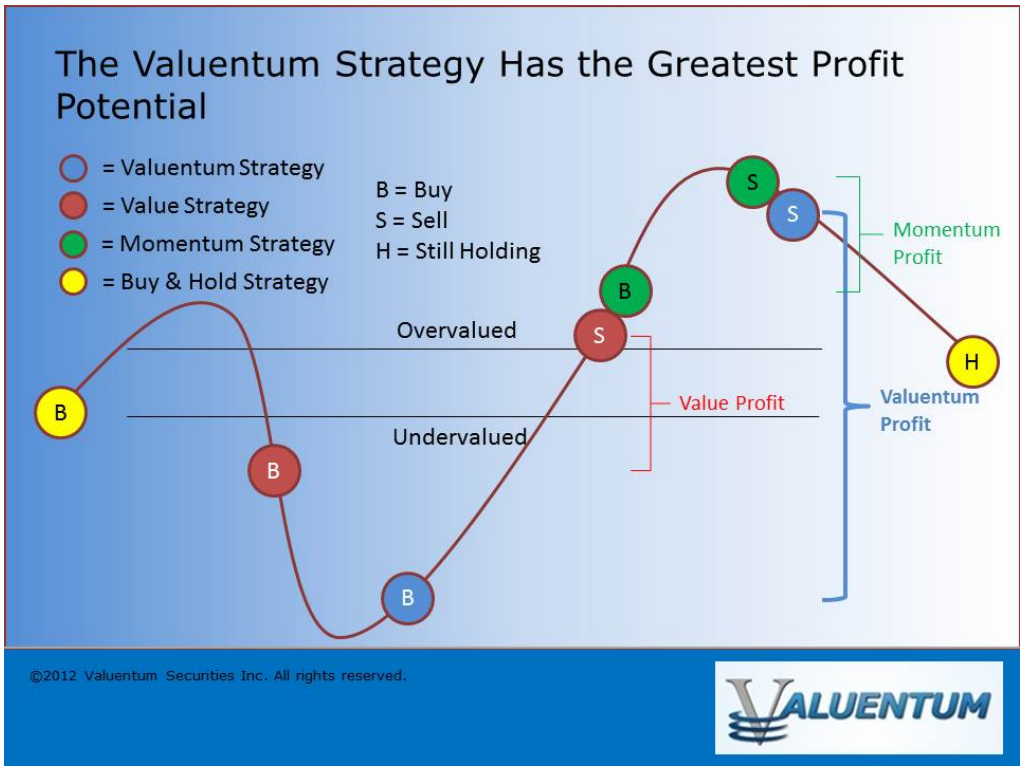
Research firms that just focus on valuation may encourage investors to buy a stock all the way down (a falling knife), while those that just use technical and momentum indicators may expose portfolios to significantly overpriced stocks at their peaks. Only when both sides of the investment spectrum are combined can investors get the best stocks on the market today at the best prices, in our view.

Let's examine the chart below, which showcases how the Valuentum process has the greatest profit potential of any investing strategy. The Valuentum process targets adding stocks to actively-managed portfolios when both value and momentum characteristics are "good" and removing them when both value and momentum characteristics are "bad" (blue circles: Buy --> Sell). The Valuentum strategy captures the entire equity pricing cycle, while the value and momentum strategies individually truncate profits.




Furthermore, Valuentum subscribers are less likely to be involved in value traps because we demand material revenue and earnings growth for firms to earn a 10 on our Valuentum Buying Index. Value traps often occur as a result of secular declines in a firm's products or services, resulting in deteriorating revenue and earnings trends (and a falling stock price). Valuentum

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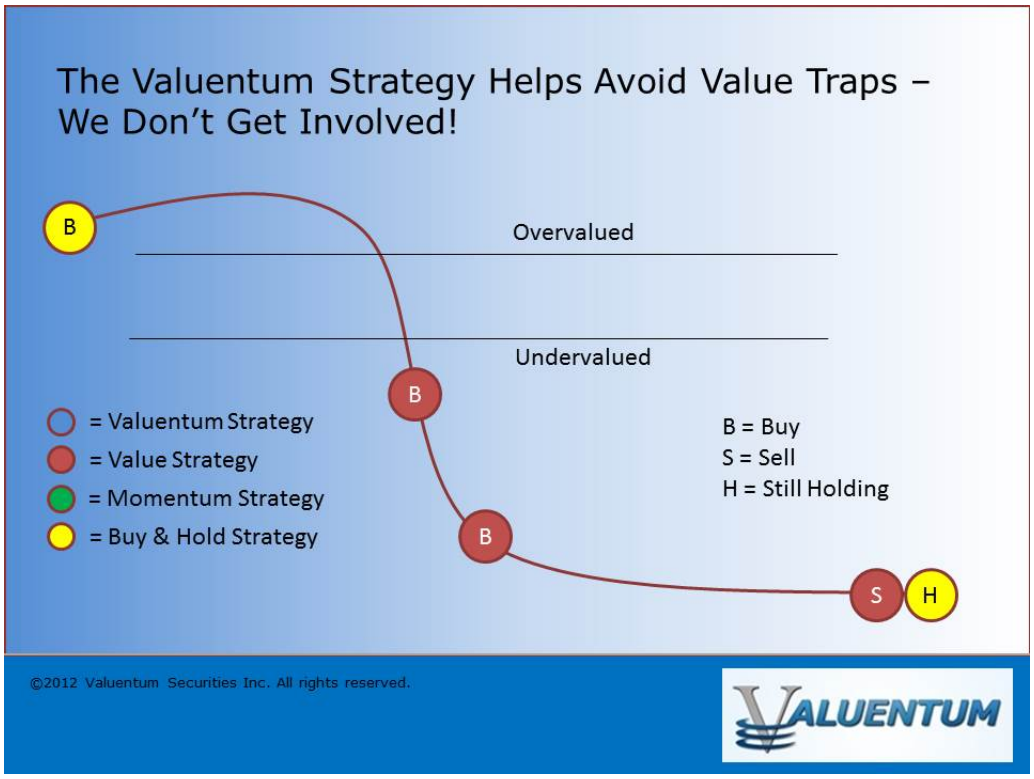
subscribers are less likely to be exposed to these "falling knives" since our process requires firms to not only be undervalued but also be exhibiting bullish technical and momentum indicators before we would consider adding them to our actively-managed portfolios.

Since the stock market is a forward-looking mechanism, price usually leads fundamentals. Without a turnaround in price, the risk that the fundamentals of an undervalued stock have not turned for the positive is higher. Where value strategies may encourage the buying of a stock all the way down regardless of whether fundamentals ever turn (red circles: Buy --> Sell), the Valuentum strategy simply steers clear of these situations. We wait for technical improvement in the equity, which often precedes fundamental changes at the company.




Let's walk through the three investment pillars of our stock-selection methodology.

### I. We Use a Rigorous Discounted Cash Flow Valuation Process

Our methodology starts with in-depth financial statement analysis, where we derive our ValueCreation, ValueRisk, and ValueTrend ratings, which together

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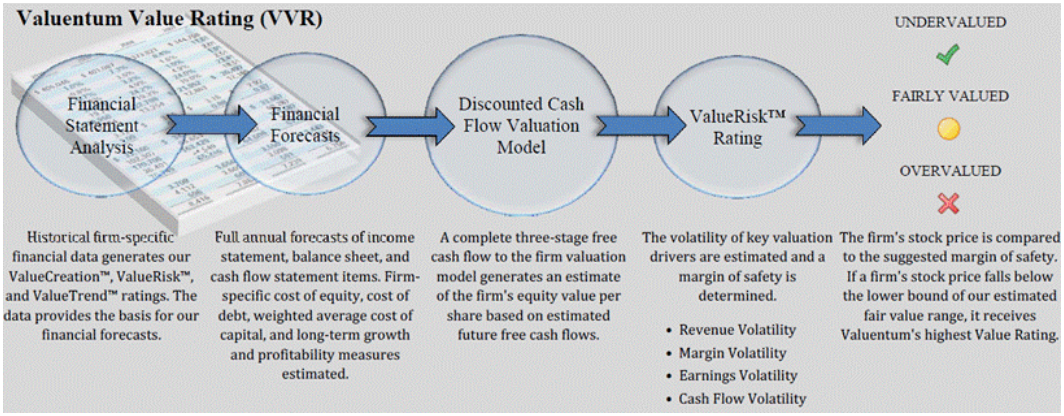
provide a quantitative assessment of the strength of a firm's competitive advantages. We compare a company's return on invested capital (ROIC) to our estimate of its weighted average cost of capital (WACC) to assess whether it is creating economic profit for shareholders (ROIC less WACC equals economic profit). Firms that have improving economic profit spreads over their respective cost of capital score high on our ValueCreation and ValueTrend measures, while firms that have relatively stable returns score well with respect to our ValueRisk evaluation, which impacts our margin-of-safety assessment.




After evaluating historical trends, we then make full annual forecasts for each item on a company's income statement and balance sheet to arrive at a firm's future free cash flows. We derive a company-specific cost of equity (using a fundamental beta based on the expected uncertainty of key valuation drivers) and a cost of debt (considering the firm's capital structure and synthetic credit spread over the risk-free rate), culminating in our estimate of a company's weighted average cost of capital (WACC). We don't use a market price-derived beta, as we embrace market volatility, which provides investors with opportunities to buy attractive stocks at bargain-basement levels.

We then assess each company within our complete three-stage free cash flow to the firm (enterprise cash flow) valuation model, which generates an estimate of a company's equity value per share based on its discounted future free cash flows and the company's net balance sheet impact, including other adjustments to equity value (namely pension and OPEB adjustments). Our ValueRisk rating, which considers the underlying uncertainty of the capacity of the firm to continue to generate value for shareholders, sets the margin of

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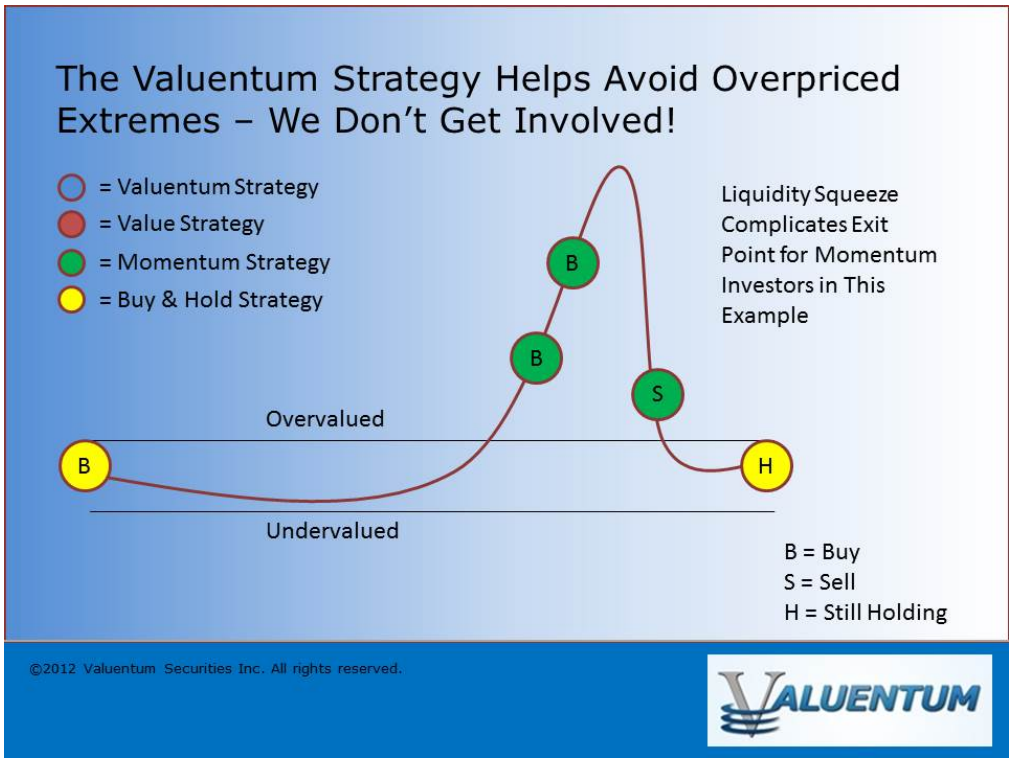
safety bands around this fair value estimate. For firms that are trading below the lower bound of our margin of safety band, we consider these companies undervalued based on our DCF process. For firms that are trading above the higher bound of our margin of safety band, we consider these companies overvalued based on our DCF process.

We think a focus on discounted cash-flow valuation prevents investors from exposing their portfolios to significantly overpriced stocks at their peaks. The chart below reveals how pure momentum investors may expose their portfolios to pricing extremes and dramatic falls (green circles: Buy --> Sell). We stay away from these situations.




### II. We Perform a Forward-Looking Relative Value Assessment

Our discounted cash-flow process allows us to arrive at an absolute view of the firm's intrinsic value. However, we also understand the critical importance of assessing firms on a relative value basis, versus both their industry and peers. Many institutional money-managers--those that drive stock prices--pay attention to a company's price-to-earnings (PE) ratio and price-earning-to-growth (PEG) ratio in making buy/sell decisions. With this in mind, we have included a forward-looking relative value assessment in our process to further

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augment our rigorous discounted cash-flow process. If a company is undervalued on both a price-to-earnings ratio and a price-earnings-to-growth (PEG) ratio versus industry peers, we would consider the firm to be attractive from a relative value standpoint.

### III. We Seek to Avoid Value Traps, Falling Knives and Opportunity Cost

Once we have estimated a firm's intrinsic value on the basis of our discounted cash-flow process, determined if it is undervalued according to its firm-specific margin of safety bands, and assessed whether it has relative value versus industry peers, we then evaluate the company's technical and momentum indicators to pin-point the best entry and exit points on the stock (but only after it meets our stringent valuation criteria). Rigorous valuation analysis and technical analysis are not mutually exclusive, and we believe both can be used together to bolster returns. An evaluation of a stock's moving averages, relative strength, upside-downside volume, and money flow index are but a few considerations we look at with respect to our technical and momentum assessment of a company's stock.

We embrace the idea that the future is inherently unpredictable and that not all fundamental factors can be included in a valuation model. By extension, we use technical and momentum analysis to help safeguard us against value traps, falling knives, and the opportunity cost of holding an undervalued equity for years before it converges to fair value. Other research firms do not consider opportunity cost as a legitimate expense for investors.

### Putting It All Together - the Valuentum Buying Index

Though the time frame varies depending on each idea, we expect our best ideas to work out over a 12-24 month time horizon (on average) -- any shorter than that is mostly luck, in our view. We tend to add firms to our Best Ideas portfolio when they register a 9 or 10 on our Valuentum Buying Index (VBI) and tend to remove firms from our Best Ideas portfolio when they register a 1 or 2 on our VBI.

We like to maximize profits on every idea, with the understanding that momentum does exist and that prices over and under shoot intrinsic value all

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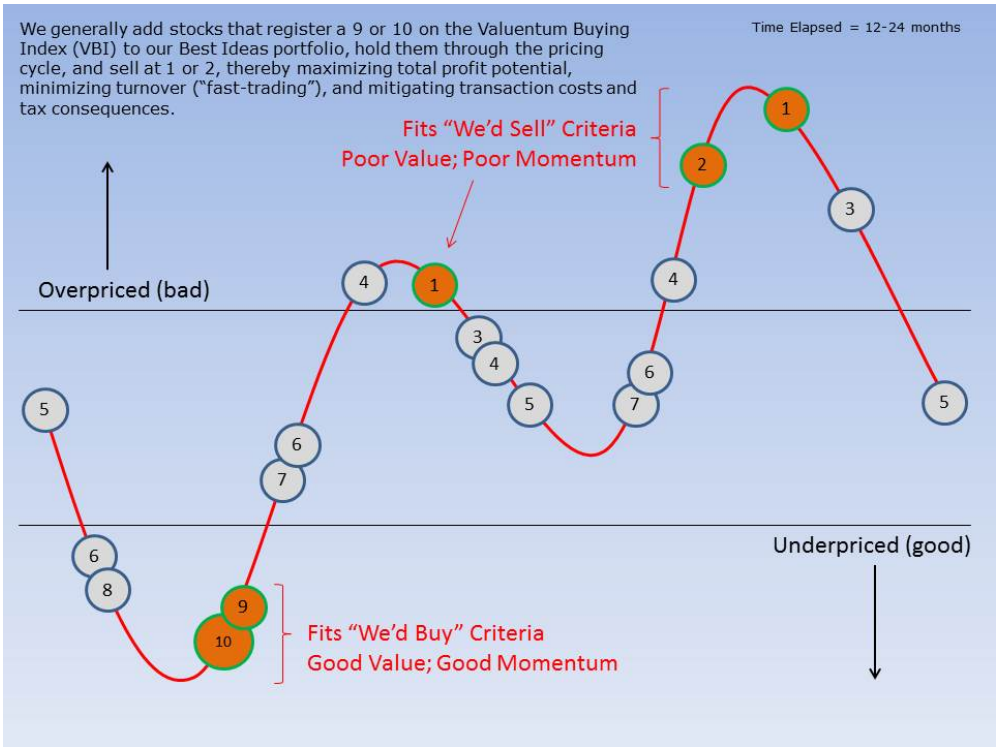
of the time. A value strategy (10 --> 5) truncates potential profits, while a momentum strategy (4 --> 1) ignores profits generated via value assessments. We're after the entire profit potential, as shown below.




Let's follow the red line on the flow chart below to see how a firm can score a 10, the best mark on our index (a "Top Pick"). 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, but we're looking to deliver the very best of ideas to our clients and subscribers. Firms that don't make the cut for a 10 are ranked accordingly, with the least attractive stocks garnering a score of 1 ("We'd sell"). Most of our coverage universe falls between 3 and 7, but at any given time there could be large number of companies garnering either high or low scores, especially at market lows or tops, respectively.

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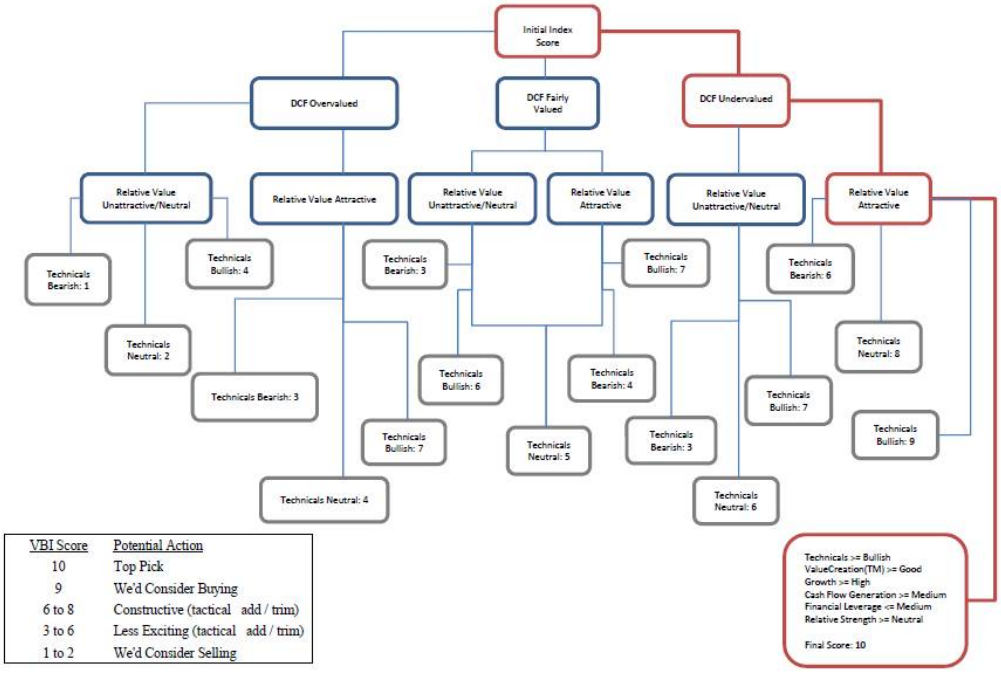


| VBI Score | Potential Action |
|---|---|
| 10 | Top Pick |
| 9 | We'd Consider Buying |
| 6 to 8 | Constructive (tactical add / trim) |
| 3 to 6 | Less Exciting (tactical add / trim) |
| 1 to 2 | We'd Consider Selling |

**How We Use the Valuentum Buying Index in the Best Ideas Newsletter Portfolio**

First and foremost, firms in our Best Ideas portfolio should be considered our best ideas at any point in time. The Best Ideas portfolio can always be found on page 8 of our monthly Best Ideas Newsletter. Firms in our Dividend Growth portfolio should be considered our best dividend growth ideas at any point in time. The Dividend Growth portfolio can always be found on page 5 of our monthly Dividend Growth Newsletter.

Let's talk about how the Valuentum Buying Index (VBI) informs which ideas we include in our actively-managed portfolios. We've noticed via our statistical backtesting that the momentum factor behind our process tends to be much more pronounced (powerful) over longer periods of time. This was one of the interesting findings of our academic white paper study. We try to replicate this dynamic with the update cycle of our reports (and the time horizon for our ideas to work out). That's why our reports are updated regularly (at least quarterly) or after material events and not daily or weekly. We don't want to whipsaw our membership, nor do we think churn is the way to generate outperformance.

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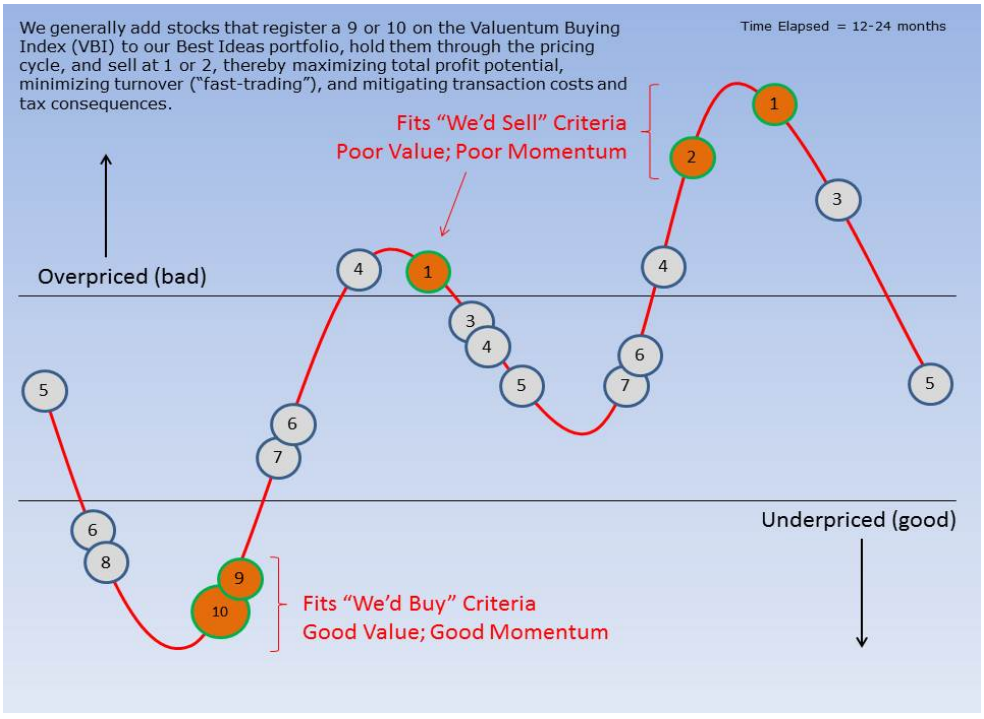
Though the time frame varies depending on each idea, we expect our best ideas to work out over a 12-24 month time horizon (on average) -- any shorter than that is mostly luck, in our view. We tend to add firms to our Best Ideas portfolio when they register a 9 or 10 on our Valuentum Buying Index (VBI) and tend to remove firms from our Best Ideas portfolio when they register a 1 or 2 on our VBI. You'll notice that we have a qualitative overlay in the portfolio, which is necessary and similar in thinking as if you were to imagine a value investor not adding every undervalued stock to his/her portfolio. There are always tactical and sector weighting considerations in any portfolio construction.

As for the time horizon for ideas, we like to maximize profits on every idea, with the understanding that momentum does exist and that prices over and under shoot intrinsic value all of the time. A value strategy (10 --> 5) truncates potential profits, while a momentum strategy (4 --> 1) ignores profits generated via value assessments. We're after the entire profit potential. So, for example, if a firm is added to the Best Ideas portfolio as a 10 and is removed as a 5, we would have tuncated profit potential. Most of our highly-rated Valuentum Buying Index rated stocks have generated the vast outperformance of the Best Ideas portfolio. Please view the pricing cycle below.

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Importantly, regarding our process, we don't blindly and immediately add firms to our portfolio once they score a 9 or 10 (and we do not add all firms that score a 9 or 10 to our portfolio). For example, Google (GOOG), a current Best Ideas portfolio holding, registered a 10 on our scale, but we remained patient and didn't add the company to our portfolio until after it reported earnings in late 2012, which provided us with an even better entry point (as new information came to light). We engage in a qualitative portfolio management overlay to maximize returns and minimize risk. The number informs our process, but the team makes the allocation decisions of the portfolio.

After adding firms to our Best Ideas portfolio, we may tactically trade around these positions when they have VBI ratings between 3 and 8 depending on the size of their weighting in our portfolio or their attractiveness relative to other opportunities (a score of 3 through 8 is typically equivalent to a 'we'd hold'). We tend to remove firms from our Best Ideas portfolio when they register a 1 or 2 on our process. Importantly, however, firms in our Best Ideas portfolio, which have generally registered a 9 or 10 on our scale when we added them, should be considered our best ideas at any point in time.

Take eBay (EBAY) as another example of our process in action. The firm initially flashed a rating of 10 in late September 2011 (at $32 per share), and we added it to our Best Ideas portfolio. The VBI rating changed to a 6 in December 2011 and then back to a 10 in May 2012. Because the rating never breached a 1 or 2, we did not remove the position from our portfolio. In fact, we tactically added to it. eBay is probably one of the better examples to use for illustrating the prolonged outperformance driven by undervalued stocks that are beginning to generate good momentum. We like to capture the entire pricing cycle and not truncate it as most value investors do.

Though eBay may register a lower VBI rating in a subsequent update, we would still view it as one of our best ideas, as it is a holding in our Best Ideas portfolio (it has never flashed a 'We'd Sell' signal, 1 or 2). Obviously, there have been more straight-forward opportunities in our Best Ideas portfolio, especially in the case of EDAC Tech (EDAC), which had tripled since we added it to the portfolio (never registering below a 9 along the way). The VBI ratings

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on our most recent 16-page reports, downloadable directly from our website, reflect our current opinion on the company.

The Valuentum Buying Index, like all methodologies, informs the investment decision process, but in constructing a portfolio, a qualitative overlay is not only necessary but has been shown to optimize performance in the white paper study.

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## Company Index - Sorted By Company Name

| Name | Symbol | Industry | Div Yield | Investment Style | Market Cap (USD) | Price / Fair Value | VBI | Div Cushion |
|---|---|---|---|---|---|---|---|---|
| AbbVie | ABBV | Pharmaceuticals - Big | 3.0% | LARGE-CAP BLEND | 105,687.6 | 0.95 | 6 | 1.9 |
| Altria Group | MO | Tobacco | 4.2% | LARGE-CAP VALUE | 91,574.2 | 0.97 | 6 | 1.1 |
| Analog Devices | ADI | Integrated Circuits | 3.0% | LARGE-CAP VALUE | 15,708.3 | 0.96 | 3 | 2.8 |
| Apple | AAPL | Computer Hardware | 1.6% | MEGA-CAP VALUE | 713,106.6 | 0.86 | 6 | 4.7 |
| Applied Materials | AMAT | Semi Equipment | 1.8% | LARGE-CAP GROWTH | 27,342.2 | 1.02 | 6 | 3.1 |
| Automatic Data Processing | ADP | Staffing Services | 2.6% | LARGE-CAP VALUE | 36,160.0 | 0.80 | 3 | 6.0 |
| AVX Corp | AVX | Electronic Suppliers | 2.8% | MID-CAP VALUE | 2,308.9 | 0.91 | 6 | 4.2 |
| Baxter Intl | BAX | Medical Instruments | 2.9% | LARGE-CAP CORE | 40,027.6 | 1.03 | 3 | 1.4 |
| Best Buy | BBY | Specialty Retailers | 2.2% | LARGE-CAP VALUE | 12,030.4 | 0.99 | 6 | 4.0 |
| Bob Evans | BOBE | Restaurants - Fast Cas & Full Svc | 2.5% | SMALL-CAP CORE | 1,351.2 | 1.15 | 3 | 1.6 |
| Boeing | BA | A&D Prime | 2.2% | LARGE-CAP VALUE | 99,749.6 | 0.97 | 6 | 3.1 |
| Bristol-Myers Squibb | BMY | Pharmaceuticals - Big | 2.5% | LARGE-CAP CORE | 98,905.6 | 1.19 | 6 | 1.5 |
| Buckeye Partners | BPL | Oil & Gas Pipelines | 5.7% | MID-CAP CORE | 8,432.2 | 1.12 | 3 | 2.0 |
| CA Tech | CA | Software | 3.5% | LARGE-CAP VALUE | 12,759.0 | 0.77 | 3 | 3.0 |
| Campbell Soup | CPB | Food Products - Large | 2.9% | LARGE-CAP VALUE | 13,793.4 | 0.97 | 7 | 1.3 |
| Caterpillar | CAT | Machinery - agriculture | 2.8% | LARGE-CAP CORE | 67,019.1 | 1.07 | 3 | 1.1 |
| Chevron | CVX | Major Oil & Gas | 3.6% | MEGA-CAP CORE | 227,415.7 | 1.01 | 3 | 1.3 |
| Cisco | CSCO | Networking Equipment | 3.0% | LARGE-CAP VALUE | 133,767.7 | 0.77 | 9 | 3.4 |
| Coach | COH | Luxury - Ultra & Aspirational | 3.7% | LARGE-CAP VALUE | 10,362.8 | 0.75 | 9 | 1.9 |
| Coca-Cola | KO | Beverages - nonalcoholic | 2.8% | LARGE-CAP CORE | 193,887.0 | 1.16 | 6 | 1.7 |
| Compass Minerals | CMP | Chemicals - agriculture | 2.7% | MID-CAP CORE | 2,974.7 | 1.05 | 3 | 1.2 |
| Corrections Corp | CXW | Management Services | 5.5% | MID-CAP CORE | 4,135.2 | 1.06 | 7 | 1.3 |
| Cracker Barrel | CBRL | Restaurants - Fast Cas & Full Svc | 2.9% | MID-CAP CORE | 3,325.8 | 1.07 | 6 | 1.4 |
| Crane Co | CR | Machinery & Tools | 2.2% | MID-CAP VALUE | 3,460.3 | 0.90 | 3 | 2.4 |
| Cypress Semi | CY | Broad Line Semiconductors | 4.5% | SMALL-CAP VALUE | 1,448.4 | 0.98 | 3 | 1.5 |
| DCP Midstream | DPM | Oil & Gas Pipelines | 5.6% | MID-CAP GROWTH | 4,217.9 | 1.10 | 3 | 2.2 |
| Diebold | DBD | Commercial Services | 3.3% | MID-CAP VALUE | 2,228.1 | 0.95 | 3 | 2.3 |
| Dr Pepper Snapple | DPS | Beverages - nonalcoholic | 2.5% | LARGE-CAP CORE | 13,239.3 | 1.12 | 7 | 2.3 |
| DuPont | DD | Chemicals - broad | 2.6% | LARGE-CAP CORE | 68,782.3 | 1.12 | 6 | 2.1 |
| Eli Lilly | LLY | Pharmaceuticals - Big | 2.8% | LARGE-CAP CORE | 75,998.7 | 1.15 | 6 | 2.0 |
| Emerson Electric | EMR | Electrical Equipment | 2.7% | LARGE-CAP VALUE | 45,571.6 | 0.99 | 4 | 2.6 |
| Enbridge | ENB | Oil & Gas Pipelines | 2.7% | LARGE-CAP CORE | 38,088.5 | 1.06 | 4 | 2.6 |
| Energy Transfer Partners | ETP | Oil & Gas Pipelines | 5.8% | LARGE-CAP VALUE | 22,585.4 | 0.98 | 7 | 2.5 |
| Enterprise Product Partners | EPD | Oil & Gas Pipelines | 3.7% | LARGE-CAP CORE | 72,303.6 | 1.03 | 3 | 3.3 |
| Exxon Mobil | XOM | Major Oil & Gas | 2.9% | MEGA-CAP CORE | 415,032.5 | 1.03 | 3 | 1.9 |
| Federal Realty | FRT | REIT - Retail | 2.5% | MID-CAP CORE | 8,232.5 | 1.26 | 4 | 1.7 |
| Garmin | GRMN | Electrical Equipment | 3.7% | LARGE-CAP CORE | 10,182.1 | 1.13 | 3 | 2.3 |
| General Dynamics | GD | A&D Prime | 1.8% | LARGE-CAP CORE | 48,941.9 | 1.13 | 3 | 3.6 |
| General Electric | GE | Conglomerates | 3.4% | MEGA-CAP VALUE | 266,176.4 | 0.81 | 6 | 2.3 |
| Gentex | GNTX | Auto Parts Suppliers | 2.2% | MID-CAP BLEND | 4,264.7 | 0.95 | 6 | 2.7 |
| Genuine Parts | GPC | Specialty Retail - auto | 2.6% | LARGE-CAP CORE | 13,737.1 | 1.09 | 6 | 1.8 |
| H&R Block | HRB | Personal Services | 2.5% | MID-CAP VALUE | 8,957.1 | 0.93 | 3 | 4.4 |
| Harris Corp | HRS | Communications Equipment | 2.4% | MID-CAP VALUE | 7,769.5 | 0.97 | 3 | 1.9 |
| Hasbro | HAS | Leisure | 3.2% | MID-CAP VALUE | 7,073.1 | 0.87 | 6 | 1.9 |
| HCP | HCP | REIT - Healthcare | 5.0% | LARGE-CAP VALUE | 19,927.8 | 0.93 | 6 | 1.8 |
| Health Care REIT | HCN | REIT - Healthcare | 4.7% | LARGE-CAP CORE | 19,045.0 | 1.05 | 6 | 2.1 |
| Helmerich & Payne | HP | Energy Equipment | 4.1% | MID-CAP VALUE | 7,333.2 | 0.81 | 5 | 1.4 |
| Hewlett-Packard | HPQ | Computer Hardware | 1.8% | LARGE-CAP VALUE | 71,292.0 | 0.99 | 6 | 4.8 |
| Holly Energy | HEP | Oil & Gas Pipelines | 5.5% | MID-CAP CORE | 2,165.6 | 1.16 | 6 | 1.8 |
| Honeywell | HON | Conglomerates | 1.9% | LARGE-CAP CORE | 75,344.9 | 1.03 | 3 | 3.1 |
| Hormel Foods | HRL | Food Products | 1.5% | LARGE-CAP CORE | 14,727.2 | 1.21 | 4 | 3.1 |
| Illinois Tool Works | ITW | Machinery & Tools | 2.0% | LARGE-CAP CORE | 42,539.7 | 1.15 | 6 | 2.6 |
| Insperity | NSP | Staffing Services | 2.7% | SMALL-CAP VALUE | 689.0 | 0.84 | 3 | 4.5 |
| Intel | INTC | Broad Line Semiconductors | 2.6% | LARGE-CAP CORE | 173,450.9 | 1.03 | 6 | 2.1 |
| Iron Mountain | IRM | Commercial Services | 5.0% | MID-CAP CORE | 7,252.0 | 1.30 | 4 | 1.3 |
| Johnson & Johnson | JNJ | Household Products | 2.6% | MEGA-CAP VALUE | 310,687.2 | 0.98 | 6 | 2.3 |
| Johnson Controls | JCI | Auto Parts Suppliers | 1.9% | LARGE-CAP VALUE | 32,102.9 | 0.93 | 3 | 2.5 |
| Kimberly-Clark | KMB | Household Products | 3.1% | LARGE-CAP CORE | 41,414.0 | 1.04 | 4 | 1.3 |
| Leggett & Platt | LEG | Household Durables | 2.9% | MID-CAP CORE | 6,195.4 | 1.31 | 4 | 1.2 |
| Lexmark | LXK | Computer Hardware | 3.0% | MID-CAP CORE | 3,121.7 | 1.06 | 6 | 2.9 |
| Linear Technology | LLTC | Specialized Semi's | 2.4% | LARGE-CAP CORE | 10,999.7 | 1.05 | 3 | 3.2 |
| Lockheed Martin | LMT | A&D Prime | 3.1% | LARGE-CAP CORE | 63,115.7 | 1.14 | 6 | 1.7 |
| Magellan Midstream | MMP | Oil & Gas Pipelines | 3.0% | LARGE-CAP CORE | 19,400.2 | 1.27 | 1 | 2.5 |
| Mattel | MAT | Leisure | 4.4% | LARGE-CAP VALUE | 11,931.7 | 0.95 | 4 | 1.3 |
| Merck | MRK | Pharmaceuticals - Big | 3.1% | LARGE-CAP CORE | 171,341.2 | 1.08 | 4 | 2.2 |
| Meridian | VIVO | Diagnostic Substances | 4.2% | SMALL-CAP CORE | 790.6 | 1.05 | 4 | 1.7 |
| Microsoft | MSFT | Software | 2.6% | MEGA-CAP VALUE | 399,120.5 | 0.82 | 7 | 3.3 |
| Northrop Grumman | NOC | A&D Prime | 1.9% | LARGE-CAP CORE | 34,257.0 | 1.07 | 6 | 2.8 |
| Occidental Petroleum | OXY | Independent Oil & Gas | 3.6% | LARGE-CAP CORE | 64,891.0 | 1.03 | 3 | 1.3 |
| Omega Healthcare | OHI | REIT - Healthcare | 5.4% | MID-CAP VALUE | 4,421.7 | 0.78 | 7 | 1.9 |
| Owens & Minor | OMI | Medical Equipment | 3.0% | MID-CAP CORE | 2,087.9 | 1.01 | 4 | 1.7 |
| Paychex | PAYX | Staffing Services | 3.4% | LARGE-CAP CORE | 16,225.6 | 1.06 | 6 | 2.9 |
| Pfizer | PFE | Pharmaceuticals - Big | 3.6% | MEGA-CAP VALUE | 216,020.4 | 0.98 | 6 | 2.2 |
| Philip Morris | PM | Tobacco | 4.5% | LARGE-CAP VALUE | 134,999.1 | 0.97 | 4 | 1.0 |
| Plains All American | PAA | Oil & Gas Pipelines | 4.5% | LARGE-CAP CORE | 41,657.8 | 1.10 | 4 | 3.5 |
| PPL | PPL | Utilities - Large | 4.2% | LARGE-CAP CORE | 23,559.0 | 1.02 | 6 | -0.5 |
| Procter & Gamble | PG | Household Products | 3.0% | MEGA-CAP CORE | 245,360.0 | 1.01 | 7 | 1.7 |
| Raytheon | RTN | A&D Prime | 2.2% | LARGE-CAP CORE | 35,211.4 | 1.18 | 6 | 2.8 |
| Realty Income Corp | O | REIT - Retail | 4.8% | MID-CAP BLEND | 8,697.3 | 0.76 | 7 | 1.9 |
| Reynolds American | RAI | Tobacco | 4.6% | LARGE-CAP CORE | 31,892.6 | 1.04 | 7 | 1.1 |
| Rockwell Automation | ROK | Electrical Equipment - industrial | 2.2% | LARGE-CAP VALUE | 14,818.5 | 0.99 | 3 | 2.8 |
| Scholastic Corp | SCHL | Book Publishing | 1.9% | SMALL-CAP VALUE | 1,041.0 | 0.76 | 3 | 5.3 |
| Simon Property | SPG | REIT - Retail | 3.0% | LARGE-CAP CORE | 53,730.0 | 1.19 | 6 | 2.1 |
| Stanley | SWK | Machinery & Tools | 2.2% | LARGE-CAP CORE | 15,245.7 | 1.10 | 7 | 1.4 |
| Sysco | SYY | Food Retailers | 3.1% | LARGE-CAP VALUE | 22,410.5 | 0.93 | 6 | 1.5 |
| TE Connectivity | TEL | Electronic Suppliers | 1.9% | LARGE-CAP CORE | 26,488.3 | 1.04 | 6 | 2.6 |
| Texas Roadhouse | TXRH | Restaurants - Fast Cas & Full Svc | 1.8% | MID-CAP GROWTH | 2,390.6 | 1.08 | 6 | 2.4 |
| Thomson Reuters Corp | TRI | Securities Research | 3.5% | LARGE-CAP CORE | 30,877.9 | 1.06 | 7 | 1.2 |
| Tupperware | TUP | Containers & Packaging | 3.7% | MID-CAP VALUE | 3,852.4 | 0.93 | 3 | 1.4 |
| United Parcel Service | UPS | Air Freight & Logistics | 2.5% | LARGE-CAP CORE | 101,274.8 | 1.05 | 6 | 2.0 |
| United Technologies | UTX | Conglomerates | 2.2% | LARGE-CAP VALUE | 99,151.1 | 0.96 | 4 | 1.8 |
| Universal Health Realty | UHT | REIT - Healthcare | 5.6% | SMALL-CAP CORE | 567.9 | 1.02 | 6 | 2.1 |
| Ventas | VTR | REIT - Healthcare | 4.4% | LARGE-CAP VALUE | 19,477.3 | 0.99 | 7 | 1.6 |
| Verizon | VZ | Telecom Services - diversified | 4.4% | LARGE-CAP VALUE | 143,786.2 | 0.89 | 7 | 2.0 |
| Walgreen | WAG | Food Retailers | 2.0% | LARGE-CAP CORE | 60,063.0 | 1.08 | 3 | 1.9 |
| Western Gas | WES | Oil & Gas Pipelines | 3.5% | MID-CAP GROWTH | 8,154.7 | 1.12 | 3 | 1.5 |
| Western Union | WU | Financial Tech Services | 2.8% | LARGE-CAP VALUE | 10,136.2 | 0.82 | 6 | 2.5 |
| Weyerhaeuser | WY | Paper Products | 3.6% | LARGE-CAP CORE | 18,519.6 | 1.08 | 3 | 2.2 |
| Williams Co | WMB | Oil & Gas Pipelines | 4.0% | LARGE-CAP GROWTH | 38,365.5 | 1.14 | 3 | 1.5 |
| Xilinx | XLNX | Specialized Semi's | 2.7% | LARGE-CAP VALUE | 12,375.3 | 0.88 | 3 | 2.9 |

## Company Index - Sorted By Dividend Yield

| Name | Symbol | Industry | Div Yield | Investment Style | Market Cap (USD) | Price / Fair Value | VBI | Div Cushion |
|---|---|---|---|---|---|---|---|---|
| Energy Transfer Partners | ETP | Oil & Gas Pipelines | 5.8% | LARGE-CAP VALUE | 22,585.4 | 0.98 | 7 | 2.5 |
| Buckeye Partners | BPL | Oil & Gas Pipelines | 5.7% | MID-CAP CORE | 8,432.2 | 1.12 | 3 | 2.0 |
| Universal Health Realty | UHT | REIT - Healthcare | 5.6% | SMALL-CAP CORE | 567.9 | 1.02 | 6 | 2.1 |
| DCP Midstream | DPM | Oil & Gas Pipelines | 5.6% | MID-CAP GROWTH | 4,217.9 | 1.10 | 3 | 2.2 |
| Holly Energy | HEP | Oil & Gas Pipelines | 5.5% | MID-CAP CORE | 2,165.6 | 1.16 | 6 | 1.8 |
| Corrections Corp | CXW | Management Services | 5.5% | MID-CAP CORE | 4,135.2 | 1.06 | 7 | 1.3 |
| Omega Healthcare | OHI | REIT - Healthcare | 5.4% | MID-CAP VALUE | 4,421.7 | 0.78 | 7 | 1.9 |
| Iron Mountain | IRM | Commercial Services | 5.0% | MID-CAP CORE | 7,252.0 | 1.30 | 4 | 1.3 |
| HCP | HCP | REIT - Healthcare | 5.0% | LARGE-CAP VALUE | 19,927.8 | 0.93 | 6 | 1.8 |
| Realty Income Corp | O | REIT - Retail | 4.8% | MID-CAP BLEND | 8,697.3 | 0.76 | 7 | 1.9 |
| Health Care REIT | HCN | REIT - Healthcare | 4.7% | LARGE-CAP CORE | 19,045.0 | 1.05 | 6 | 2.1 |
| Reynolds American | RAI | Tobacco | 4.6% | LARGE-CAP CORE | 31,892.6 | 1.04 | 7 | 1.1 |
| Plains All American | PAA | Oil & Gas Pipelines | 4.5% | LARGE-CAP CORE | 41,657.8 | 1.10 | 4 | 3.5 |
| Philip Morris | PM | Tobacco | 4.5% | LARGE-CAP VALUE | 134,999.1 | 0.97 | 4 | 1.0 |
| Cypress Semi | CY | Broad Line Semiconductors | 4.5% | SMALL-CAP VALUE | 1,448.4 | 0.98 | 3 | 1.5 |
| Mattel | MAT | Leisure | 4.4% | LARGE-CAP VALUE | 11,931.7 | 0.95 | 4 | 1.3 |
| Verizon | VZ | Telecom Services - diversified | 4.4% | LARGE-CAP VALUE | 143,786.2 | 0.89 | 7 | 2.0 |
| Ventas | VTR | REIT - Healthcare | 4.4% | LARGE-CAP VALUE | 19,477.3 | 0.99 | 7 | 1.6 |
| Meridian | VIVO | Diagnostic Substances | 4.2% | SMALL-CAP CORE | 790.6 | 1.05 | 4 | 1.7 |
| PPL | PPL | Utilities - Large | 4.2% | LARGE-CAP CORE | 23,559.0 | 1.02 | 6 | -0.5 |
| Altria Group | MO | Tobacco | 4.2% | LARGE-CAP VALUE | 91,574.2 | 0.97 | 6 | 1.1 |
| Helmerich & Payne | HP | Energy Equipment | 4.1% | MID-CAP VALUE | 7,333.2 | 0.81 | 5 | 1.4 |
| Williams Co | WMB | Oil & Gas Pipelines | 4.0% | LARGE-CAP GROWTH | 38,365.5 | 1.14 | 3 | 1.5 |
| Tupperware | TUP | Containers & Packaging | 3.7% | MID-CAP VALUE | 3,852.4 | 0.93 | 3 | 1.4 |
| Garmin | GRMN | Electrical Equipment | 3.7% | LARGE-CAP CORE | 10,182.1 | 1.13 | 3 | 2.3 |
| Enterprise Product Partners | EPD | Oil & Gas Pipelines | 3.7% | LARGE-CAP CORE | 72,303.6 | 1.03 | 3 | 3.3 |
| Coach | COH | Luxury - Ultra & Aspirational | 3.7% | LARGE-CAP VALUE | 10,362.8 | 0.75 | 9 | 1.9 |
| Chevron | CVX | Major Oil & Gas | 3.6% | MEGA-CAP CORE | 227,415.7 | 1.01 | 3 | 1.3 |
| Weyerhaeuser | WY | Paper Products | 3.6% | LARGE-CAP CORE | 18,519.6 | 1.08 | 3 | 2.2 |
| Pfizer | PFE | Pharmaceuticals - Big | 3.6% | MEGA-CAP VALUE | 216,020.4 | 0.98 | 6 | 2.2 |
| Occidental Petroleum | OXY | Independent Oil & Gas | 3.6% | LARGE-CAP CORE | 64,891.0 | 1.03 | 3 | 1.3 |
| Thomson Reuters Corp | TRI | Securities Research | 3.5% | LARGE-CAP CORE | 30,877.9 | 1.06 | 7 | 1.2 |
| CA Tech | CA | Software | 3.5% | LARGE-CAP VALUE | 12,759.0 | 0.77 | 3 | 3.0 |
| Western Gas | WES | Oil & Gas Pipelines | 3.5% | MID-CAP GROWTH | 8,154.7 | 1.12 | 3 | 1.5 |
| Paychex | PAYX | Staffing Services | 3.4% | LARGE-CAP CORE | 16,225.6 | 1.06 | 6 | 2.9 |
| General Electric | GE | Conglomerates | 3.4% | MEGA-CAP VALUE | 266,176.4 | 0.81 | 6 | 2.3 |
| Diebold | DBD | Commercial Services | 3.3% | MID-CAP VALUE | 2,228.1 | 0.95 | 3 | 2.3 |
| Hasbro | HAS | Leisure | 3.2% | MID-CAP VALUE | 7,073.1 | 0.87 | 6 | 1.9 |
| Merck | MRK | Pharmaceuticals - Big | 3.1% | LARGE-CAP CORE | 171,341.2 | 1.08 | 4 | 2.2 |
| Kimberly-Clark | KMB | Household Products | 3.1% | LARGE-CAP CORE | 41,414.0 | 1.04 | 4 | 1.3 |
| Lockheed Martin | LMT | A&D Prime | 3.1% | LARGE-CAP CORE | 63,115.7 | 1.14 | 6 | 1.7 |
| Sysco | SYY | Food Retailers | 3.1% | LARGE-CAP VALUE | 22,410.5 | 0.93 | 6 | 1.5 |
| Procter & Gamble | PG | Household Products | 3.0% | MEGA-CAP CORE | 245,360.0 | 1.01 | 7 | 1.7 |
| Magellan Midstream | MMP | Oil & Gas Pipelines | 3.0% | LARGE-CAP CORE | 19,400.2 | 1.27 | 1 | 2.5 |
| Simon Property | SPG | REIT - Retail | 3.0% | LARGE-CAP CORE | 53,730.0 | 1.19 | 6 | 2.1 |
| Owens & Minor | OMI | Medical Equipment | 3.0% | MID-CAP CORE | 2,087.9 | 1.01 | 4 | 1.7 |
| Cisco | CSCO | Networking Equipment | 3.0% | LARGE-CAP VALUE | 133,767.7 | 0.77 | 9 | 3.4 |
| AbbVie | ABBV | Pharmaceuticals - Big | 3.0% | LARGE-CAP BLEND | 105,687.6 | 0.95 | 6 | 1.9 |
| Analog Devices | ADI | Integrated Circuits | 3.0% | LARGE-CAP VALUE | 15,708.3 | 0.96 | 3 | 2.8 |
| Lexmark | LXK | Computer Hardware | 3.0% | MID-CAP CORE | 3,121.7 | 1.06 | 6 | 2.9 |
| Leggett & Platt | LEG | Household Durables | 2.9% | MID-CAP CORE | 6,195.4 | 1.31 | 4 | 1.2 |
| Exxon Mobil | XOM | Major Oil & Gas | 2.9% | MEGA-CAP CORE | 415,032.5 | 1.03 | 3 | 1.9 |
| Cracker Barrel | CBRL | Restaurants - Fast Cas & Full Svc | 2.9% | MID-CAP CORE | 3,325.8 | 1.07 | 6 | 1.4 |
| Campbell Soup | CPB | Food Products - Large | 2.9% | LARGE-CAP VALUE | 13,793.4 | 0.97 | 7 | 1.3 |
| Baxter Intl | BAX | Medical Instruments | 2.9% | LARGE-CAP CORE | 40,027.6 | 1.03 | 3 | 1.4 |
| Coca-Cola | KO | Beverages - nonalcoholic | 2.8% | LARGE-CAP CORE | 193,887.0 | 1.16 | 6 | 1.7 |
| Eli Lilly | LLY | Pharmaceuticals - Big | 2.8% | LARGE-CAP CORE | 75,998.7 | 1.15 | 6 | 2.0 |
| AVX Corp | AVX | Electronic Suppliers | 2.8% | MID-CAP VALUE | 2,308.9 | 0.91 | 6 | 4.2 |
| Western Union | WU | Financial Tech Services | 2.8% | LARGE-CAP VALUE | 10,136.2 | 0.82 | 6 | 2.5 |
| Caterpillar | CAT | Machinery - agriculture | 2.8% | LARGE-CAP CORE | 67,019.1 | 1.07 | 3 | 1.1 |
| Enbridge | ENB | Oil & Gas Pipelines | 2.7% | LARGE-CAP CORE | 38,088.5 | 1.06 | 4 | 2.6 |
| Insperity | NSP | Staffing Services | 2.7% | SMALL-CAP VALUE | 689.0 | 0.84 | 3 | 4.5 |
| Emerson Electric | EMR | Electrical Equipment | 2.7% | LARGE-CAP VALUE | 45,571.6 | 0.99 | 4 | 2.6 |
| Compass Minerals | CMP | Chemicals - agriculture | 2.7% | MID-CAP CORE | 2,974.7 | 1.05 | 3 | 1.2 |
| Xilinx | XLNX | Specialized Semi's | 2.7% | LARGE-CAP VALUE | 12,375.3 | 0.88 | 3 | 2.9 |
| Intel | INTC | Broad Line Semiconductors | 2.6% | LARGE-CAP CORE | 173,450.9 | 1.03 | 6 | 2.1 |
| Microsoft | MSFT | Software | 2.6% | MEGA-CAP VALUE | 399,120.5 | 0.82 | 7 | 3.3 |
| Genuine Parts | GPC | Specialty Retail - auto | 2.6% | LARGE-CAP CORE | 13,737.1 | 1.09 | 6 | 1.8 |
| Johnson & Johnson | JNJ | Household Products | 2.6% | MEGA-CAP VALUE | 310,687.2 | 0.98 | 6 | 2.3 |
| Automatic Data Processing | ADP | Staffing Services | 2.6% | LARGE-CAP VALUE | 36,160.0 | 0.80 | 3 | 6.0 |
| DuPont | DD | Chemicals - broad | 2.6% | LARGE-CAP CORE | 68,782.3 | 1.12 | 6 | 2.1 |
| Dr Pepper Snapple | DPS | Beverages - nonalcoholic | 2.5% | LARGE-CAP CORE | 13,239.3 | 1.12 | 7 | 2.3 |
| United Parcel Service | UPS | Air Freight & Logistics | 2.5% | LARGE-CAP CORE | 101,274.8 | 1.05 | 6 | 2.0 |
| Bristol-Myers Squibb | BMY | Pharmaceuticals - Big | 2.5% | LARGE-CAP CORE | 98,905.6 | 1.19 | 6 | 1.5 |
| Federal Realty | FRT | REIT - Retail | 2.5% | MID-CAP CORE | 8,232.5 | 1.26 | 4 | 1.7 |
| H&R Block | HRB | Personal Services | 2.5% | MID-CAP VALUE | 8,957.1 | 0.93 | 3 | 4.4 |
| Bob Evans | BOBE | Restaurants - Fast Cas & Full Svc | 2.5% | SMALL-CAP CORE | 1,351.2 | 1.15 | 3 | 1.6 |
| Harris Corp | HRS | Communications Equipment | 2.4% | MID-CAP VALUE | 7,769.5 | 0.97 | 3 | 1.9 |
| Linear Technology | LLTC | Specialized Semi's | 2.4% | LARGE-CAP CORE | 10,999.7 | 1.05 | 3 | 3.2 |
| Boeing | BA | A&D Prime | 2.2% | LARGE-CAP VALUE | 99,749.6 | 0.97 | 6 | 3.1 |
| Crane Co | CR | Machinery & Tools | 2.2% | MID-CAP VALUE | 3,460.3 | 0.90 | 3 | 2.4 |
| Raytheon | RTN | A&D Prime | 2.2% | LARGE-CAP CORE | 35,211.4 | 1.18 | 6 | 2.8 |
| Rockwell Automation | ROK | Electrical Equipment - industrial | 2.2% | LARGE-CAP VALUE | 14,818.5 | 0.99 | 3 | 2.8 |
| Best Buy | BBY | Specialty Retailers | 2.2% | LARGE-CAP VALUE | 12,030.4 | 0.99 | 6 | 4.0 |
| United Technologies | UTX | Conglomerates | 2.2% | LARGE-CAP VALUE | 99,151.1 | 0.96 | 4 | 1.8 |
| Stanley | SWK | Machinery & Tools | 2.2% | LARGE-CAP CORE | 15,245.7 | 1.10 | 7 | 1.4 |
| Gentex | GNTX | Auto Parts Suppliers | 2.2% | MID-CAP BLEND | 4,264.7 | 0.95 | 6 | 2.7 |
| Illinois Tool Works | ITW | Machinery & Tools | 2.0% | LARGE-CAP CORE | 42,539.7 | 1.15 | 6 | 2.6 |
| Walgreen | WAG | Food Retailers | 2.0% | LARGE-CAP CORE | 60,063.0 | 1.08 | 3 | 1.9 |
| Northrop Grumman | NOC | A&D Prime | 1.9% | LARGE-CAP CORE | 34,257.0 | 1.07 | 6 | 2.8 |
| Honeywell | HON | Conglomerates | 1.9% | LARGE-CAP CORE | 75,344.9 | 1.03 | 3 | 3.1 |
| Johnson Controls | JCI | Auto Parts Suppliers | 1.9% | LARGE-CAP VALUE | 32,102.9 | 0.93 | 3 | 2.5 |
| Scholastic Corp | SCHL | Book Publishing | 1.9% | SMALL-CAP VALUE | 1,041.0 | 0.76 | 3 | 5.3 |
| TE Connectivity | TEL | Electronic Suppliers | 1.9% | LARGE-CAP CORE | 26,488.3 | 1.04 | 6 | 2.6 |
| General Dynamics | GD | A&D Prime | 1.8% | LARGE-CAP CORE | 48,941.9 | 1.13 | 3 | 3.6 |
| Texas Roadhouse | TXRH | Restaurants - Fast Cas & Full Svc | 1.8% | MID-CAP GROWTH | 2,390.6 | 1.08 | 6 | 2.4 |
| Applied Materials | AMAT | Semi Equipment | 1.8% | LARGE-CAP GROWTH | 27,342.2 | 1.02 | 6 | 3.1 |
| Hewlett-Packard | HPQ | Computer Hardware | 1.8% | LARGE-CAP VALUE | 71,292.0 | 0.99 | 6 | 4.8 |
| Apple | AAPL | Computer Hardware | 1.6% | MEGA-CAP VALUE | 713,106.6 | 0.86 | 6 | 4.7 |
| Hormel Foods | HRL | Food Products | 1.5% | LARGE-CAP CORE | 14,727.2 | 1.21 | 4 | 3.1 |

## Company Index - Sorted By Dividend Cushion Ratio

| Name | Symbol | Industry | Div Yield | Investment Style | Market Cap (USD) | Price / Fair Value | VBI | Div Cushion |
|---|---|---|---|---|---|---|---|---|
| Automatic Data Processing | ADP | Staffing Services | 2.6% | LARGE-CAP VALUE | 36,160.0 | 0.80 | 3 | 6.0 |
| Scholastic Corp | SCHL | Book Publishing | 1.9% | SMALL-CAP VALUE | 1,041.0 | 0.76 | 3 | 5.3 |
| Hewlett-Packard | HPQ | Computer Hardware | 1.8% | LARGE-CAP VALUE | 71,292.0 | 0.99 | 6 | 4.8 |
| Apple | AAPL | Computer Hardware | 1.6% | MEGA-CAP VALUE | 713,106.6 | 0.86 | 6 | 4.7 |
| Insperity | NSP | Staffing Services | 2.7% | SMALL-CAP VALUE | 689.0 | 0.84 | 3 | 4.5 |
| H&R Block | HRB | Personal Services | 2.5% | MID-CAP VALUE | 8,957.1 | 0.93 | 3 | 4.4 |
| AVX Corp | AVX | Electronic Suppliers | 2.8% | MID-CAP VALUE | 2,308.9 | 0.91 | 6 | 4.2 |
| Best Buy | BBY | Specialty Retailers | 2.2% | LARGE-CAP VALUE | 12,030.4 | 0.99 | 6 | 4.0 |
| General Dynamics | GD | A&D Prime | 1.8% | LARGE-CAP CORE | 48,941.9 | 1.13 | 3 | 3.6 |
| Plains All American | PAA | Oil & Gas Pipelines | 4.5% | LARGE-CAP CORE | 41,657.8 | 1.10 | 4 | 3.5 |
| Cisco | CSCO | Networking Equipment | 3.0% | LARGE-CAP VALUE | 133,767.7 | 0.77 | 9 | 3.4 |
| Enterprise Product Partners | EPD | Oil & Gas Pipelines | 3.7% | LARGE-CAP CORE | 72,303.6 | 1.03 | 3 | 3.3 |
| Microsoft | MSFT | Software | 2.6% | MEGA-CAP VALUE | 399,120.5 | 0.82 | 7 | 3.3 |
| Linear Technology | LLTC | Specialized Semi's | 2.4% | LARGE-CAP CORE | 10,999.7 | 1.05 | 3 | 3.2 |
| Hormel Foods | HRL | Food Products | 1.5% | LARGE-CAP CORE | 14,727.2 | 1.21 | 4 | 3.1 |
| Applied Materials | AMAT | Semi Equipment | 1.8% | LARGE-CAP GROWTH | 27,342.2 | 1.02 | 6 | 3.1 |
| Honeywell | HON | Conglomerates | 1.9% | LARGE-CAP CORE | 75,344.9 | 1.03 | 3 | 3.1 |
| Boeing | BA | A&D Prime | 2.2% | LARGE-CAP VALUE | 99,749.6 | 0.97 | 6 | 3.1 |
| CA Tech | CA | Software | 3.5% | LARGE-CAP VALUE | 12,759.0 | 0.77 | 3 | 3.0 |
| Lexmark | LXK | Computer Hardware | 3.0% | MID-CAP CORE | 3,121.7 | 1.06 | 6 | 2.9 |
| Xilinx | XLNX | Specialized Semi's | 2.7% | LARGE-CAP VALUE | 12,375.3 | 0.88 | 3 | 2.9 |
| Paychex | PAYX | Staffing Services | 3.4% | LARGE-CAP CORE | 16,225.6 | 1.06 | 6 | 2.9 |
| Northrop Grumman | NOC | A&D Prime | 1.9% | LARGE-CAP CORE | 34,257.0 | 1.07 | 6 | 2.8 |
| Analog Devices | ADI | Integrated Circuits | 3.0% | LARGE-CAP VALUE | 15,708.3 | 0.96 | 3 | 2.8 |
| Rockwell Automation | ROK | Electrical Equipment - industrial | 2.2% | LARGE-CAP VALUE | 14,818.5 | 0.99 | 3 | 2.8 |
| Raytheon | RTN | A&D Prime | 2.2% | LARGE-CAP CORE | 35,211.4 | 1.18 | 6 | 2.8 |
| Gentex | GNTX | Auto Parts Suppliers | 2.2% | MID-CAP BLEND | 4,264.7 | 0.95 | 6 | 2.7 |
| TE Connectivity | TEL | Electronic Suppliers | 1.9% | LARGE-CAP CORE | 26,488.3 | 1.04 | 6 | 2.6 |
| Illinois Tool Works | ITW | Machinery & Tools | 2.0% | LARGE-CAP CORE | 42,539.7 | 1.15 | 6 | 2.6 |
| Emerson Electric | EMR | Electrical Equipment | 2.7% | LARGE-CAP VALUE | 45,571.6 | 0.99 | 4 | 2.6 |
| Enbridge | ENB | Oil & Gas Pipelines | 2.7% | LARGE-CAP CORE | 38,088.5 | 1.06 | 4 | 2.6 |
| Energy Transfer Partners | ETP | Oil & Gas Pipelines | 5.8% | LARGE-CAP VALUE | 22,585.4 | 0.98 | 7 | 2.5 |
| Johnson Controls | JCI | Auto Parts Suppliers | 1.9% | LARGE-CAP VALUE | 32,102.9 | 0.93 | 3 | 2.5 |
| Magellan Midstream | MMP | Oil & Gas Pipelines | 3.0% | LARGE-CAP CORE | 19,400.2 | 1.27 | 1 | 2.5 |
| Western Union | WU | Financial Tech Services | 2.8% | LARGE-CAP VALUE | 10,136.2 | 0.82 | 6 | 2.5 |
| Texas Roadhouse | TXRH | Restaurants - Fast Cas & Full Svc | 1.8% | MID-CAP GROWTH | 2,390.6 | 1.08 | 6 | 2.4 |
| Crane Co | CR | Machinery & Tools | 2.2% | MID-CAP VALUE | 3,460.3 | 0.90 | 3 | 2.4 |
| Johnson & Johnson | JNJ | Household Products | 2.6% | MEGA-CAP VALUE | 310,687.2 | 0.98 | 6 | 2.3 |
| Diebold | DBD | Commercial Services | 3.3% | MID-CAP VALUE | 2,228.1 | 0.95 | 3 | 2.3 |
| Garmin | GRMN | Electrical Equipment | 3.7% | LARGE-CAP CORE | 10,182.1 | 1.13 | 3 | 2.3 |
| Dr Pepper Snapple | DPS | Beverages - nonalcoholic | 2.5% | LARGE-CAP CORE | 13,239.3 | 1.12 | 7 | 2.3 |
| General Electric | GE | Conglomerates | 3.4% | MEGA-CAP VALUE | 266,176.4 | 0.81 | 6 | 2.3 |
| Merck | MRK | Pharmaceuticals - Big | 3.1% | LARGE-CAP CORE | 171,341.2 | 1.08 | 4 | 2.2 |
| DCP Midstream | DPM | Oil & Gas Pipelines | 5.6% | MID-CAP GROWTH | 4,217.9 | 1.10 | 3 | 2.2 |
| Weyerhaeuser | WY | Paper Products | 3.6% | LARGE-CAP CORE | 18,519.6 | 1.08 | 3 | 2.2 |
| Pfizer | PFE | Pharmaceuticals - Big | 3.6% | MEGA-CAP VALUE | 216,020.4 | 0.98 | 6 | 2.2 |
| Universal Health Realty | UHT | REIT - Healthcare | 5.6% | SMALL-CAP CORE | 567.9 | 1.02 | 6 | 2.1 |
| Intel | INTC | Broad Line Semiconductors | 2.6% | LARGE-CAP CORE | 173,450.9 | 1.03 | 6 | 2.1 |
| Simon Property | SPG | REIT - Retail | 3.0% | LARGE-CAP CORE | 53,730.0 | 1.19 | 6 | 2.1 |
| DuPont | DD | Chemicals - broad | 2.6% | LARGE-CAP CORE | 68,782.3 | 1.12 | 6 | 2.1 |
| Health Care REIT | HCN | REIT - Healthcare | 4.7% | LARGE-CAP CORE | 19,045.0 | 1.05 | 6 | 2.1 |
| Buckeye Partners | BPL | Oil & Gas Pipelines | 5.7% | MID-CAP CORE | 8,432.2 | 1.12 | 3 | 2.0 |
| Eli Lilly | LLY | Pharmaceuticals - Big | 2.8% | LARGE-CAP CORE | 75,998.7 | 1.15 | 6 | 2.0 |
| Verizon | VZ | Telecom Services - diversified | 4.4% | LARGE-CAP VALUE | 143,786.2 | 0.89 | 7 | 2.0 |
| United Parcel Service | UPS | Air Freight & Logistics | 2.5% | LARGE-CAP CORE | 101,274.8 | 1.05 | 6 | 2.0 |
| Realty Income Corp | O | REIT - Retail | 4.8% | MID-CAP BLEND | 8,697.3 | 0.76 | 7 | 1.9 |
| Coach | COH | Luxury - Ultra & Aspirational | 3.7% | LARGE-CAP VALUE | 10,362.8 | 0.75 | 9 | 1.9 |
| Omega Healthcare | OHI | REIT - Healthcare | 5.4% | MID-CAP VALUE | 4,421.7 | 0.78 | 7 | 1.9 |
| Walgreen | WAG | Food Retailers | 2.0% | LARGE-CAP CORE | 60,063.0 | 1.08 | 3 | 1.9 |
| Exxon Mobil | XOM | Major Oil & Gas | 2.9% | MEGA-CAP CORE | 415,032.5 | 1.03 | 3 | 1.9 |
| AbbVie | ABBV | Pharmaceuticals - Big | 3.0% | LARGE-CAP BLEND | 105,687.6 | 0.95 | 6 | 1.9 |
| Harris Corp | HRS | Communications Equipment | 2.4% | MID-CAP VALUE | 7,769.5 | 0.97 | 3 | 1.9 |
| Hasbro | HAS | Leisure | 3.2% | MID-CAP VALUE | 7,073.1 | 0.87 | 6 | 1.9 |
| HCP | HCP | REIT - Healthcare | 5.0% | LARGE-CAP VALUE | 19,927.8 | 0.93 | 6 | 1.8 |
| United Technologies | UTX | Conglomerates | 2.2% | LARGE-CAP VALUE | 99,151.1 | 0.96 | 4 | 1.8 |
| Holly Energy | HEP | Oil & Gas Pipelines | 5.5% | MID-CAP CORE | 2,165.6 | 1.16 | 6 | 1.8 |
| Genuine Parts | GPC | Specialty Retail - auto | 2.6% | LARGE-CAP CORE | 13,737.1 | 1.09 | 6 | 1.8 |
| Coca-Cola | KO | Beverages - nonalcoholic | 2.8% | LARGE-CAP CORE | 193,887.0 | 1.16 | 6 | 1.7 |
| Federal Realty | FRT | REIT - Retail | 2.5% | MID-CAP CORE | 8,232.5 | 1.26 | 4 | 1.7 |
| Procter & Gamble | PG | Household Products | 3.0% | MEGA-CAP CORE | 245,360.0 | 1.01 | 7 | 1.7 |
| Lockheed Martin | LMT | A&D Prime | 3.1% | LARGE-CAP CORE | 63,115.7 | 1.14 | 6 | 1.7 |
| Meridian | VIVO | Diagnostic Substances | 4.2% | SMALL-CAP CORE | 790.6 | 1.05 | 4 | 1.7 |
| Owens & Minor | OMI | Medical Equipment | 3.0% | MID-CAP CORE | 2,087.9 | 1.01 | 4 | 1.7 |
| Bob Evans | BOBE | Restaurants - Fast Cas & Full Svc | 2.5% | SMALL-CAP CORE | 1,351.2 | 1.15 | 3 | 1.6 |
| Ventas | VTR | REIT - Healthcare | 4.4% | LARGE-CAP VALUE | 19,477.3 | 0.99 | 7 | 1.6 |
| Cypress Semi | CY | Broad Line Semiconductors | 4.5% | SMALL-CAP VALUE | 1,448.4 | 0.98 | 3 | 1.5 |
| Williams Co | WMB | Oil & Gas Pipelines | 4.0% | LARGE-CAP GROWTH | 38,365.5 | 1.14 | 3 | 1.5 |
| Western Gas | WES | Oil & Gas Pipelines | 3.5% | MID-CAP GROWTH | 8,154.7 | 1.12 | 3 | 1.5 |
| Sysco | SYY | Food Retailers | 3.1% | LARGE-CAP VALUE | 22,410.5 | 0.93 | 6 | 1.5 |
| Bristol-Myers Squibb | BMY | Pharmaceuticals - Big | 2.5% | LARGE-CAP CORE | 98,905.6 | 1.19 | 6 | 1.5 |
| Tupperware | TUP | Containers & Packaging | 3.7% | MID-CAP VALUE | 3,852.4 | 0.93 | 3 | 1.4 |
| Helmerich & Payne | HP | Energy Equipment | 4.1% | MID-CAP VALUE | 7,333.2 | 0.81 | 5 | 1.4 |
| Baxter Intl | BAX | Medical Instruments | 2.9% | LARGE-CAP CORE | 40,027.6 | 1.03 | 3 | 1.4 |
| Cracker Barrel | CBRL | Restaurants - Fast Cas & Full Svc | 2.9% | MID-CAP CORE | 3,325.8 | 1.07 | 6 | 1.4 |
| Stanley | SWK | Machinery & Tools | 2.2% | LARGE-CAP CORE | 15,245.7 | 1.10 | 7 | 1.4 |
| Chevron | CVX | Major Oil & Gas | 3.6% | MEGA-CAP CORE | 227,415.7 | 1.01 | 3 | 1.3 |
| Campbell Soup | CPB | Food Products - Large | 2.9% | LARGE-CAP VALUE | 13,793.4 | 0.97 | 7 | 1.3 |
| Kimberly-Clark | KMB | Household Products | 3.1% | LARGE-CAP CORE | 41,414.0 | 1.04 | 4 | 1.3 |
| Mattel | MAT | Leisure | 4.4% | LARGE-CAP VALUE | 11,931.7 | 0.95 | 4 | 1.3 |
| Corrections Corp | CXW | Management Services | 5.5% | MID-CAP CORE | 4,135.2 | 1.06 | 7 | 1.3 |
| Iron Mountain | IRM | Commercial Services | 5.0% | MID-CAP CORE | 7,252.0 | 1.30 | 4 | 1.3 |
| Occidental Petroleum | OXY | Independent Oil & Gas | 3.6% | LARGE-CAP CORE | 64,891.0 | 1.03 | 3 | 1.3 |
| Thomson Reuters Corp | TRI | Securities Research | 3.5% | LARGE-CAP CORE | 30,877.9 | 1.06 | 7 | 1.2 |
| Compass Minerals | CMP | Chemicals - agriculture | 2.7% | MID-CAP CORE | 2,974.7 | 1.05 | 3 | 1.2 |
| Leggett & Platt | LEG | Household Durables | 2.9% | MID-CAP CORE | 6,195.4 | 1.31 | 4 | 1.2 |
| Altria Group | MO | Tobacco | 4.2% | LARGE-CAP VALUE | 91,574.2 | 0.97 | 6 | 1.1 |
| Reynolds American | RAI | Tobacco | 4.6% | LARGE-CAP CORE | 31,892.6 | 1.04 | 7 | 1.1 |
| Caterpillar | CAT | Machinery - agriculture | 2.8% | LARGE-CAP CORE | 67,019.1 | 1.07 | 3 | 1.1 |
| Philip Morris | PM | Tobacco | 4.5% | LARGE-CAP VALUE | 134,999.1 | 0.97 | 4 | 1.0 |
| PPL | PPL | Utilities - Large | 4.2% | LARGE-CAP CORE | 23,559.0 | 1.02 | 6 | -0.5 |

## Company Index - Sorted By Valuentum Buying Index (VBI)

| Name | Symbol | Industry | Div Yield | Investment Style | Market Cap (USD) | Price/Fair Value | VBI | Div Cushion |
|---|---|---|---|---|---|---|---|---|
| Cisco | CSCO | Networking Equipment | 3.0% | LARGE-CAP VALUE | 133,767.7 | 0.77 | 9 | 3.4 |
| Coach | COH | Luxury - Ultra & Aspirational | 3.7% | LARGE-CAP VALUE | 10,362.8 | 0.75 | 9 | 1.9 |
| Microsoft | MSFT | Software | 2.6% | MEGA-CAP VALUE | 399,120.5 | 0.82 | 7 | 3.3 |
| Energy Transfer Partners | ETP | Oil & Gas Pipelines | 5.8% | LARGE-CAP VALUE | 22,585.4 | 0.98 | 7 | 2.5 |
| Dr Pepper Snapple | DPS | Beverages - nonalcoholic | 2.5% | LARGE-CAP CORE | 13,239.3 | 1.12 | 7 | 2.3 |
| Verizon | VZ | Telecom Services - diversified | 4.4% | LARGE-CAP VALUE | 143,786.2 | 0.89 | 7 | 2.0 |
| Realty Income Corp | O | REIT - Retail | 4.8% | MID-CAP BLEND | 8,697.3 | 0.76 | 7 | 1.9 |
| Omega Healthcare | OHI | REIT - Healthcare | 5.4% | MID-CAP VALUE | 4,421.7 | 0.78 | 7 | 1.9 |
| Procter & Gamble | PG | Household Products | 3.0% | MEGA-CAP CORE | 245,360.0 | 1.01 | 7 | 1.7 |
| Ventas | VTR | REIT - Healthcare | 4.4% | LARGE-CAP VALUE | 19,477.3 | 0.99 | 7 | 1.6 |
| Stanley | SWK | Machinery & Tools | 2.2% | LARGE-CAP CORE | 15,245.7 | 1.10 | 7 | 1.4 |
| Campbell Soup | CPB | Food Products - Large | 2.9% | LARGE-CAP VALUE | 13,793.4 | 0.97 | 7 | 1.3 |
| Corrections Corp | CXW | Management Services | 5.5% | MID-CAP CORE | 4,135.2 | 1.06 | 7 | 1.3 |
| Thomson Reuters Corp | TRI | Securities Research | 3.5% | LARGE-CAP CORE | 30,877.9 | 1.06 | 7 | 1.2 |
| Reynolds American | RAI | Tobacco | 4.6% | LARGE-CAP CORE | 31,892.6 | 1.04 | 7 | 1.1 |
| Hewlett-Packard | HPQ | Computer Hardware | 1.8% | LARGE-CAP VALUE | 71,292.0 | 0.99 | 6 | 4.8 |
| Apple | AAPL | Computer Hardware | 1.6% | MEGA-CAP VALUE | 713,106.6 | 0.86 | 6 | 4.7 |
| AVX Corp | AVX | Electronic Suppliers | 2.8% | MID-CAP VALUE | 2,308.9 | 0.91 | 6 | 4.2 |
| Best Buy | BBY | Specialty Retailers | 2.2% | LARGE-CAP VALUE | 12,030.4 | 0.99 | 6 | 4.0 |
| Applied Materials | AMAT | Semi Equipment | 1.8% | LARGE-CAP GROWTH | 27,342.2 | 1.02 | 6 | 3.1 |
| Boeing | BA | A&D Prime | 2.2% | LARGE-CAP VALUE | 99,749.6 | 0.97 | 6 | 3.1 |
| Lexmark | LXK | Computer Hardware | 3.0% | MID-CAP CORE | 3,121.7 | 1.06 | 6 | 2.9 |
| Paychex | PAYX | Staffing Services | 3.4% | LARGE-CAP CORE | 16,225.6 | 1.06 | 6 | 2.9 |
| Northrop Grumman | NOC | A&D Prime | 1.9% | LARGE-CAP CORE | 34,257.0 | 1.07 | 6 | 2.8 |
| Raytheon | RTN | A&D Prime | 2.2% | LARGE-CAP CORE | 35,211.4 | 1.18 | 6 | 2.8 |
| Gentex | GNTX | Auto Parts Suppliers | 2.2% | MID-CAP BLEND | 4,264.7 | 0.95 | 6 | 2.7 |
| TE Connectivity | TEL | Electronic Suppliers | 1.9% | LARGE-CAP CORE | 26,488.3 | 1.04 | 6 | 2.6 |
| Illinois Tool Works | ITW | Machinery & Tools | 2.0% | LARGE-CAP CORE | 42,539.7 | 1.15 | 6 | 2.6 |
| Western Union | WU | Financial Tech Services | 2.8% | LARGE-CAP VALUE | 10,136.2 | 0.82 | 6 | 2.5 |
| Texas Roadhouse | TXRH | Restaurants - Fast Cas & Full Svc | 1.8% | MID-CAP GROWTH | 2,390.6 | 1.08 | 6 | 2.4 |
| Johnson & Johnson | JNJ | Household Products | 2.6% | MEGA-CAP VALUE | 310,687.2 | 0.98 | 6 | 2.3 |
| General Electric | GE | Conglomerates | 3.4% | MEGA-CAP VALUE | 266,176.4 | 0.81 | 6 | 2.3 |
| Pfizer | PFE | Pharmaceuticals - Big | 3.6% | MEGA-CAP VALUE | 216,020.4 | 0.98 | 6 | 2.2 |
| Universal Health Realty | UHT | REIT - Healthcare | 5.6% | SMALL-CAP CORE | 567.9 | 1.02 | 6 | 2.1 |
| Intel | INTC | Broad Line Semiconductors | 2.6% | LARGE-CAP CORE | 173,450.9 | 1.03 | 6 | 2.1 |
| Simon Property | SPG | REIT - Retail | 3.0% | LARGE-CAP CORE | 53,730.0 | 1.19 | 6 | 2.1 |
| DuPont | DD | Chemicals - broad | 2.6% | LARGE-CAP CORE | 68,782.3 | 1.12 | 6 | 2.1 |
| Health Care REIT | HCN | REIT - Healthcare | 4.7% | LARGE-CAP CORE | 19,045.0 | 1.05 | 6 | 2.1 |
| Eli Lilly | LLY | Pharmaceuticals - Big | 2.8% | LARGE-CAP CORE | 75,998.7 | 1.15 | 6 | 2.0 |
| United Parcel Service | UPS | Air Freight & Logistics | 2.5% | LARGE-CAP CORE | 101,274.8 | 1.05 | 6 | 2.0 |
| AbbVie | ABBV | Pharmaceuticals - Big | 3.0% | LARGE-CAP BLEND | 105,687.6 | 0.95 | 6 | 1.9 |
| Hasbro | HAS | Leisure | 3.2% | MID-CAP VALUE | 7,073.1 | 0.87 | 6 | 1.9 |
| HCP | HCP | REIT - Healthcare | 5.0% | LARGE-CAP VALUE | 19,927.8 | 0.93 | 6 | 1.8 |
| Holly Energy | HEP | Oil & Gas Pipelines | 5.5% | MID-CAP CORE | 2,165.6 | 1.16 | 6 | 1.8 |
| Genuine Parts | GPC | Specialty Retail - auto | 2.6% | LARGE-CAP CORE | 13,737.1 | 1.09 | 6 | 1.8 |
| Coca-Cola | KO | Beverages - nonalcoholic | 2.8% | LARGE-CAP CORE | 193,887.0 | 1.16 | 6 | 1.7 |
| Lockheed Martin | LMT | A&D Prime | 3.1% | LARGE-CAP CORE | 63,115.7 | 1.14 | 6 | 1.7 |
| Sysco | SYY | Food Retailers | 3.1% | LARGE-CAP VALUE | 22,410.5 | 0.93 | 6 | 1.5 |
| Bristol-Myers Squibb | BMY | Pharmaceuticals - Big | 2.5% | LARGE-CAP CORE | 98,905.6 | 1.19 | 6 | 1.5 |
| Cracker Barrel | CBRL | Restaurants - Fast Cas & Full Svc | 2.9% | MID-CAP CORE | 3,325.8 | 1.07 | 6 | 1.4 |
| Altria Group | MO | Tobacco | 4.2% | LARGE-CAP VALUE | 91,574.2 | 0.97 | 6 | 1.1 |
| PPL | PPL | Utilities - Large | 4.2% | LARGE-CAP CORE | 23,559.0 | 1.02 | 6 | -0.5 |
| Helmerich & Payne | HP | Energy Equipment | 4.1% | MID-CAP VALUE | 7,333.2 | 0.81 | 5 | 1.4 |
| Plains All American | PAA | Oil & Gas Pipelines | 4.5% | LARGE-CAP CORE | 41,657.8 | 1.10 | 4 | 3.5 |
| Hormel Foods | HRL | Food Products | 1.5% | LARGE-CAP CORE | 14,727.2 | 1.21 | 4 | 3.1 |
| Emerson Electric | EMR | Electrical Equipment | 2.7% | LARGE-CAP VALUE | 45,571.6 | 0.99 | 4 | 2.6 |
| Enbridge | ENB | Oil & Gas Pipelines | 2.7% | LARGE-CAP CORE | 38,088.5 | 1.06 | 4 | 2.6 |
| Merck | MRK | Pharmaceuticals - Big | 3.1% | LARGE-CAP CORE | 171,341.2 | 1.08 | 4 | 2.2 |
| United Technologies | UTX | Conglomerates | 2.2% | LARGE-CAP VALUE | 99,151.1 | 0.96 | 4 | 1.8 |
| Federal Realty | FRT | REIT - Retail | 2.5% | MID-CAP CORE | 8,232.5 | 1.26 | 4 | 1.7 |
| Meridian | VIVO | Diagnostic Substances | 4.2% | SMALL-CAP CORE | 790.6 | 1.05 | 4 | 1.7 |
| Owens & Minor | OMI | Medical Equipment | 3.0% | MID-CAP CORE | 2,087.9 | 1.01 | 4 | 1.7 |
| Kimberly-Clark | KMB | Household Products | 3.1% | LARGE-CAP CORE | 41,414.0 | 1.04 | 4 | 1.3 |
| Mattel | MAT | Leisure | 4.4% | LARGE-CAP VALUE | 11,931.7 | 0.95 | 4 | 1.3 |
| Iron Mountain | IRM | Commercial Services | 5.0% | MID-CAP CORE | 7,252.0 | 1.30 | 4 | 1.3 |
| Leggett & Platt | LEG | Household Durables | 2.9% | MID-CAP CORE | 6,195.4 | 1.31 | 4 | 1.2 |
| Philip Morris | PM | Tobacco | 4.5% | LARGE-CAP VALUE | 134,999.1 | 0.97 | 4 | 1.0 |
| Automatic Data Processing | ADP | Staffing Services | 2.6% | LARGE-CAP VALUE | 36,160.0 | 0.80 | 3 | 6.0 |
| Scholastic Corp | SCHL | Book Publishing | 1.9% | SMALL-CAP VALUE | 1,041.0 | 0.76 | 3 | 5.3 |
| Insperity | NSP | Staffing Services | 2.7% | SMALL-CAP VALUE | 689.0 | 0.84 | 3 | 4.5 |
| H&R Block | HRB | Personal Services | 2.5% | MID-CAP VALUE | 8,957.1 | 0.93 | 3 | 4.4 |
| General Dynamics | GD | A&D Prime | 1.8% | LARGE-CAP CORE | 48,941.9 | 1.13 | 3 | 3.6 |
| Enterprise Product Partners | EPD | Oil & Gas Pipelines | 3.7% | LARGE-CAP CORE | 72,303.6 | 1.03 | 3 | 3.3 |
| Linear Technology | LLTC | Specialized Semi's | 2.4% | LARGE-CAP CORE | 10,999.7 | 1.05 | 3 | 3.2 |
| Honeywell | HON | Conglomerates | 1.9% | LARGE-CAP CORE | 75,344.9 | 1.03 | 3 | 3.1 |
| CA Tech | CA | Software | 3.5% | LARGE-CAP VALUE | 12,759.0 | 0.77 | 3 | 3.0 |
| Xilinx | XLNX | Specialized Semi's | 2.7% | LARGE-CAP VALUE | 12,375.3 | 0.88 | 3 | 2.9 |
| Analog Devices | ADI | Integrated Circuits | 3.0% | LARGE-CAP VALUE | 15,708.3 | 0.96 | 3 | 2.8 |
| Rockwell Automation | ROK | Electrical Equipment - industrial | 2.2% | LARGE-CAP VALUE | 14,818.5 | 0.99 | 3 | 2.8 |
| Johnson Controls | JCI | Auto Parts Suppliers | 1.9% | LARGE-CAP VALUE | 32,102.9 | 0.93 | 3 | 2.5 |
| Crane Co | CR | Machinery & Tools | 2.2% | MID-CAP VALUE | 3,460.3 | 0.90 | 3 | 2.4 |
| Diebold | DBD | Commercial Services | 3.3% | MID-CAP VALUE | 2,228.1 | 0.95 | 3 | 2.3 |
| Garmin | GRMN | Electrical Equipment | 3.7% | LARGE-CAP CORE | 10,182.1 | 1.13 | 3 | 2.3 |
| DCP Midstream | DPM | Oil & Gas Pipelines | 5.6% | MID-CAP GROWTH | 4,217.9 | 1.10 | 3 | 2.2 |
| Weyerhaeuser | WY | Paper Products | 3.6% | LARGE-CAP CORE | 18,519.6 | 1.08 | 3 | 2.2 |
| Buckeye Partners | BPL | Oil & Gas Pipelines | 5.7% | MID-CAP CORE | 8,432.2 | 1.12 | 3 | 2.0 |
| Walgreen | WAG | Food Retailers | 2.0% | LARGE-CAP CORE | 60,063.0 | 1.08 | 3 | 1.9 |
| Exxon Mobil | XOM | Major Oil & Gas | 2.9% | MEGA-CAP CORE | 415,032.5 | 1.03 | 3 | 1.9 |
| Harris Corp | HRS | Communications Equipment | 2.4% | MID-CAP VALUE | 7,769.5 | 0.97 | 3 | 1.9 |
| Bob Evans | BOBE | Restaurants - Fast Cas & Full Svc | 2.5% | SMALL-CAP CORE | 1,351.2 | 1.15 | 3 | 1.6 |
| Cypress Semi | CY | Broad Line Semiconductors | 4.5% | SMALL-CAP VALUE | 1,448.4 | 0.98 | 3 | 1.5 |
| Williams Co | WMB | Oil & Gas Pipelines | 4.0% | LARGE-CAP GROWTH | 38,365.5 | 1.14 | 3 | 1.5 |
| Western Gas | WES | Oil & Gas Pipelines | 3.5% | MID-CAP GROWTH | 8,154.7 | 1.12 | 3 | 1.5 |
| Tupperware | TUP | Containers & Packaging | 3.7% | MID-CAP VALUE | 3,852.4 | 0.93 | 3 | 1.4 |
| Baxter Intl | BAX | Medical Instruments | 2.9% | LARGE-CAP CORE | 40,027.6 | 1.03 | 3 | 1.4 |
| Chevron | CVX | Major Oil & Gas | 3.6% | MEGA-CAP CORE | 227,415.7 | 1.01 | 3 | 1.3 |
| Occidental Petroleum | OXY | Independent Oil & Gas | 3.6% | LARGE-CAP CORE | 64,891.0 | 1.03 | 3 | 1.3 |
| Compass Minerals | CMP | Chemicals - agriculture | 2.7% | MID-CAP CORE | 2,974.7 | 1.05 | 3 | 1.2 |
| Caterpillar | CAT | Machinery - agriculture | 2.8% | LARGE-CAP CORE | 67,019.1 | 1.07 | 3 | 1.1 |
| Magellan Midstream | MMP | Oil & Gas Pipelines | 3.0% | LARGE-CAP CORE | 19,400.2 | 1.27 | 1 | 2.5 |

## Company Index - Sorted By Market Capitalization

| Name | Symbol | Industry | Div Yield | Investment Style | Market Cap (USD) | Price / Fair Value | VBI | Div Cushion |
|---|---|---|---|---|---|---|---|---|
| Apple | AAPL | Computer Hardware | 1.6% | MEGA-CAP VALUE | 713,106.6 | 0.86 | 6 | 4.7 |
| Exxon Mobil | XOM | Major Oil & Gas | 2.9% | MEGA-CAP CORE | 415,032.5 | 1.03 | 3 | 1.9 |
| Microsoft | MSFT | Software | 2.6% | MEGA-CAP VALUE | 399,120.5 | 0.82 | 7 | 3.3 |
| Johnson & Johnson | JNJ | Household Products | 2.6% | MEGA-CAP VALUE | 310,687.2 | 0.98 | 6 | 2.3 |
| General Electric | GE | Conglomerates | 3.4% | MEGA-CAP VALUE | 266,176.4 | 0.81 | 6 | 2.3 |
| Procter & Gamble | PG | Household Products | 3.0% | MEGA-CAP CORE | 245,360.0 | 1.01 | 7 | 1.7 |
| Chevron | CVX | Major Oil & Gas | 3.6% | MEGA-CAP CORE | 227,415.7 | 1.01 | 3 | 1.3 |
| Pfizer | PFE | Pharmaceuticals - Big | 3.6% | MEGA-CAP VALUE | 216,020.4 | 0.98 | 6 | 2.2 |
| Coca-Cola | KO | Beverages - nonalcoholic | 2.8% | LARGE-CAP CORE | 193,887.0 | 1.16 | 6 | 1.7 |
| Intel | INTC | Broad Line Semiconductors | 2.6% | LARGE-CAP CORE | 173,450.9 | 1.03 | 6 | 2.1 |
| Merck | MRK | Pharmaceuticals - Big | 3.1% | LARGE-CAP CORE | 171,341.2 | 1.08 | 4 | 2.2 |
| Verizon | VZ | Telecom Services - diversified | 4.4% | LARGE-CAP VALUE | 143,786.2 | 0.89 | 7 | 2.0 |
| Philip Morris | PM | Tobacco | 4.5% | LARGE-CAP VALUE | 134,999.1 | 0.97 | 4 | 1.0 |
| Cisco | CSCO | Networking Equipment | 3.0% | LARGE-CAP VALUE | 133,767.7 | 0.77 | 9 | 3.4 |
| AbbVie | ABBV | Pharmaceuticals - Big | 3.0% | LARGE-CAP BLEND | 105,687.6 | 0.95 | 6 | 1.9 |
| United Parcel Service | UPS | Air Freight & Logistics | 2.5% | LARGE-CAP CORE | 101,274.8 | 1.05 | 6 | 2.0 |
| Boeing | BA | A&D Prime | 2.2% | LARGE-CAP VALUE | 99,749.6 | 0.97 | 6 | 3.1 |
| United Technologies | UTX | Conglomerates | 2.2% | LARGE-CAP VALUE | 99,151.1 | 0.96 | 4 | 1.8 |
| Bristol-Myers Squibb | BMY | Pharmaceuticals - Big | 2.5% | LARGE-CAP CORE | 98,905.6 | 1.19 | 6 | 1.5 |
| Altria Group | MO | Tobacco | 4.2% | LARGE-CAP VALUE | 91,574.2 | 0.97 | 6 | 1.1 |
| Eli Lilly | LLY | Pharmaceuticals - Big | 2.8% | LARGE-CAP CORE | 75,998.7 | 1.15 | 6 | 2.0 |
| Honeywell | HON | Conglomerates | 1.9% | LARGE-CAP CORE | 75,344.9 | 1.03 | 3 | 3.1 |
| Enterprise Product Partners | EPD | Oil & Gas Pipelines | 3.7% | LARGE-CAP CORE | 72,303.6 | 1.03 | 3 | 3.3 |
| Hewlett-Packard | HPQ | Computer Hardware | 1.8% | LARGE-CAP VALUE | 71,292.0 | 0.99 | 6 | 4.8 |
| DuPont | DD | Chemicals - broad | 2.6% | LARGE-CAP CORE | 68,782.3 | 1.12 | 6 | 2.1 |
| Caterpillar | CAT | Machinery - agriculture | 2.8% | LARGE-CAP CORE | 67,019.1 | 1.07 | 3 | 1.1 |
| Occidental Petroleum | OXY | Independent Oil & Gas | 3.6% | LARGE-CAP CORE | 64,891.0 | 1.03 | 3 | 1.3 |
| Lockheed Martin | LMT | A&D Prime | 3.1% | LARGE-CAP CORE | 63,115.7 | 1.14 | 6 | 1.7 |
| Walgreen | WAG | Food Retailers | 2.0% | LARGE-CAP CORE | 60,063.0 | 1.08 | 3 | 1.9 |
| Simon Property | SPG | REIT - Retail | 3.0% | LARGE-CAP CORE | 53,730.0 | 1.19 | 6 | 2.1 |
| General Dynamics | GD | A&D Prime | 1.8% | LARGE-CAP CORE | 48,941.9 | 1.13 | 3 | 3.6 |
| Emerson Electric | EMR | Electrical Equipment | 2.7% | LARGE-CAP VALUE | 45,571.6 | 0.99 | 4 | 2.6 |
| Illinois Tool Works | ITW | Machinery & Tools | 2.0% | LARGE-CAP CORE | 42,539.7 | 1.15 | 6 | 2.6 |
| Plains All American | PAA | Oil & Gas Pipelines | 4.5% | LARGE-CAP CORE | 41,657.8 | 1.10 | 4 | 3.5 |
| Kimberly-Clark | KMB | Household Products | 3.1% | LARGE-CAP CORE | 41,414.0 | 1.04 | 4 | 1.3 |
| Baxter Intl | BAX | Medical Instruments | 2.9% | LARGE-CAP CORE | 40,027.6 | 1.03 | 3 | 1.4 |
| Williams Co | WMB | Oil & Gas Pipelines | 4.0% | LARGE-CAP GROWTH | 38,365.5 | 1.14 | 3 | 1.5 |
| Enbridge | ENB | Oil & Gas Pipelines | 2.7% | LARGE-CAP CORE | 38,088.5 | 1.06 | 4 | 2.6 |
| Automatic Data Processing | ADP | Staffing Services | 2.6% | LARGE-CAP VALUE | 36,160.0 | 0.80 | 3 | 6.0 |
| Raytheon | RTN | A&D Prime | 2.2% | LARGE-CAP CORE | 35,211.4 | 1.18 | 6 | 2.8 |
| Northrop Grumman | NOC | A&D Prime | 1.9% | LARGE-CAP CORE | 34,257.0 | 1.07 | 6 | 2.8 |
| Johnson Controls | JCI | Auto Parts Suppliers | 1.9% | LARGE-CAP VALUE | 32,102.9 | 0.93 | 3 | 2.5 |
| Reynolds American | RAI | Tobacco | 4.6% | LARGE-CAP CORE | 31,892.6 | 1.04 | 7 | 1.1 |
| Thomson Reuters Corp | TRI | Securities Research | 3.5% | LARGE-CAP CORE | 30,877.9 | 1.06 | 7 | 1.2 |
| Applied Materials | AMAT | Semi Equipment | 1.8% | LARGE-CAP GROWTH | 27,342.2 | 1.02 | 6 | 3.1 |
| TE Connectivity | TEL | Electronic Suppliers | 1.9% | LARGE-CAP CORE | 26,488.3 | 1.04 | 6 | 2.6 |
| PPL | PPL | Utilities - Large | 4.2% | LARGE-CAP CORE | 23,559.0 | 1.02 | 6 | -0.5 |
| Energy Transfer Partners | ETP | Oil & Gas Pipelines | 5.8% | LARGE-CAP VALUE | 22,585.4 | 0.98 | 7 | 2.5 |
| Sysco | SYY | Food Retailers | 3.1% | LARGE-CAP VALUE | 22,410.5 | 0.93 | 6 | 1.5 |
| HCP | HCP | REIT - Healthcare | 5.0% | LARGE-CAP VALUE | 19,927.8 | 0.93 | 6 | 1.8 |
| Ventas | VTR | REIT - Healthcare | 4.4% | LARGE-CAP VALUE | 19,477.3 | 0.99 | 7 | 1.6 |
| Magellan Midstream | MMP | Oil & Gas Pipelines | 3.0% | LARGE-CAP CORE | 19,400.2 | 1.27 | 1 | 2.5 |
| Health Care REIT | HCN | REIT - Healthcare | 4.7% | LARGE-CAP CORE | 19,045.0 | 1.05 | 6 | 2.1 |
| Weyerhaeuser | WY | Paper Products | 3.6% | LARGE-CAP CORE | 18,519.6 | 1.08 | 3 | 2.2 |
| Paychex | PAYX | Staffing Services | 3.4% | LARGE-CAP CORE | 16,225.6 | 1.06 | 6 | 2.9 |
| Analog Devices | ADI | Integrated Circuits | 3.0% | LARGE-CAP VALUE | 15,708.3 | 0.96 | 3 | 2.8 |
| Stanley | SWK | Machinery & Tools | 2.2% | LARGE-CAP CORE | 15,245.7 | 1.10 | 7 | 1.4 |
| Rockwell Automation | ROK | Electrical Equipment - industrial | 2.2% | LARGE-CAP VALUE | 14,818.5 | 0.99 | 3 | 2.8 |
| Hormel Foods | HRL | Food Products | 1.5% | LARGE-CAP CORE | 14,727.2 | 1.21 | 4 | 3.1 |
| Campbell Soup | CPB | Food Products - Large | 2.9% | LARGE-CAP VALUE | 13,793.4 | 0.97 | 7 | 1.3 |
| Genuine Parts | GPC | Specialty Retail - auto | 2.6% | LARGE-CAP CORE | 13,737.1 | 1.09 | 6 | 1.8 |
| Dr Pepper Snapple | DPS | Beverages - nonalcoholic | 2.5% | LARGE-CAP CORE | 13,239.3 | 1.12 | 7 | 2.3 |
| CA Tech | CA | Software | 3.5% | LARGE-CAP VALUE | 12,759.0 | 0.77 | 3 | 3.0 |
| Xilinx | XLNX | Specialized Semi's | 2.7% | LARGE-CAP VALUE | 12,375.3 | 0.88 | 3 | 2.9 |
| Best Buy | BBY | Specialty Retailers | 2.2% | LARGE-CAP VALUE | 12,030.4 | 0.99 | 6 | 4.0 |
| Mattel | MAT | Leisure | 4.4% | LARGE-CAP VALUE | 11,931.7 | 0.95 | 4 | 1.3 |
| Linear Technology | LLTC | Specialized Semi's | 2.4% | LARGE-CAP CORE | 10,999.7 | 1.05 | 3 | 3.2 |
| Coach | COH | Luxury - Ultra & Aspirational | 3.7% | LARGE-CAP VALUE | 10,362.8 | 0.75 | 9 | 1.9 |
| Garmin | GRMN | Electrical Equipment | 3.7% | LARGE-CAP CORE | 10,182.1 | 1.13 | 3 | 2.3 |
| Western Union | WU | Financial Tech Services | 2.8% | LARGE-CAP VALUE | 10,136.2 | 0.82 | 6 | 2.5 |
| H&R Block | HRB | Personal Services | 2.5% | MID-CAP VALUE | 8,957.1 | 0.93 | 3 | 4.4 |
| Realty Income Corp | O | REIT - Retail | 4.8% | MID-CAP BLEND | 8,697.3 | 0.76 | 7 | 1.9 |
| Buckeye Partners | BPL | Oil & Gas Pipelines | 5.7% | MID-CAP CORE | 8,432.2 | 1.12 | 3 | 2.0 |
| Federal Realty | FRT | REIT - Retail | 2.5% | MID-CAP CORE | 8,232.5 | 1.26 | 4 | 1.7 |
| Western Gas | WES | Oil & Gas Pipelines | 3.5% | MID-CAP GROWTH | 8,154.7 | 1.12 | 3 | 1.5 |
| Harris Corp | HRS | Communications Equipment | 2.4% | MID-CAP VALUE | 7,769.5 | 0.97 | 3 | 1.9 |
| Helmerich & Payne | HP | Energy Equipment | 4.1% | MID-CAP VALUE | 7,333.2 | 0.81 | 5 | 1.4 |
| Iron Mountain | IRM | Commercial Services | 5.0% | MID-CAP CORE | 7,252.0 | 1.30 | 4 | 1.3 |
| Hasbro | HAS | Leisure | 3.2% | MID-CAP VALUE | 7,073.1 | 0.87 | 6 | 1.9 |
| Leggett & Platt | LEG | Household Durables | 2.9% | MID-CAP CORE | 6,195.4 | 1.31 | 4 | 1.2 |
| Omega Healthcare | OHI | REIT - Healthcare | 5.4% | MID-CAP VALUE | 4,421.7 | 0.78 | 7 | 1.9 |
| Gentex | GNTX | Auto Parts Suppliers | 2.2% | MID-CAP BLEND | 4,264.7 | 0.95 | 6 | 2.7 |
| DCP Midstream | DPM | Oil & Gas Pipelines | 5.6% | MID-CAP GROWTH | 4,217.9 | 1.10 | 3 | 2.2 |
| Corrections Corp | CXW | Management Services | 5.5% | MID-CAP CORE | 4,135.2 | 1.06 | 7 | 1.3 |
| Tupperware | TUP | Containers & Packaging | 3.7% | MID-CAP VALUE | 3,852.4 | 0.93 | 3 | 1.4 |
| Crane Co | CR | Machinery & Tools | 2.2% | MID-CAP VALUE | 3,460.3 | 0.90 | 3 | 2.4 |
| Cracker Barrel | CBRL | Restaurants - Fast Cas & Full Svc | 2.9% | MID-CAP CORE | 3,325.8 | 1.07 | 6 | 1.4 |
| Lexmark | LXK | Computer Hardware | 3.0% | MID-CAP CORE | 3,121.7 | 1.06 | 6 | 2.9 |
| Compass Minerals | CMP | Chemicals - agriculture | 2.7% | MID-CAP CORE | 2,974.7 | 1.05 | 3 | 1.2 |
| Texas Roadhouse | TXRH | Restaurants - Fast Cas & Full Svc | 1.8% | MID-CAP GROWTH | 2,390.6 | 1.08 | 6 | 2.4 |
| AVX Corp | AVX | Electronic Suppliers | 2.8% | MID-CAP VALUE | 2,308.9 | 0.91 | 6 | 4.2 |
| Diebold | DBD | Commercial Services | 3.3% | MID-CAP VALUE | 2,228.1 | 0.95 | 3 | 2.3 |
| Holly Energy | HEP | Oil & Gas Pipelines | 5.5% | MID-CAP CORE | 2,165.6 | 1.16 | 6 | 1.8 |
| Owens & Minor | OMI | Medical Equipment | 3.0% | MID-CAP CORE | 2,087.9 | 1.01 | 4 | 1.7 |
| Cypress Semi | CY | Broad Line Semiconductors | 4.5% | SMALL-CAP VALUE | 1,448.4 | 0.98 | 3 | 1.5 |
| Bob Evans | BOBE | Restaurants - Fast Cas & Full Svc | 2.5% | SMALL-CAP CORE | 1,351.2 | 1.15 | 3 | 1.6 |
| Scholastic Corp | SCHL | Book Publishing | 1.9% | SMALL-CAP VALUE | 1,041.0 | 0.76 | 3 | 5.3 |
| Meridian | VIVO | Diagnostic Substances | 4.2% | SMALL-CAP CORE | 790.6 | 1.05 | 4 | 1.7 |
| Insperity | NSP | Staffing Services | 2.7% | SMALL-CAP VALUE | 689.0 | 0.84 | 3 | 4.5 |
| Universal Health Realty | UHT | REIT - Healthcare | 5.6% | SMALL-CAP CORE | 567.9 | 1.02 | 6 | 2.1 |

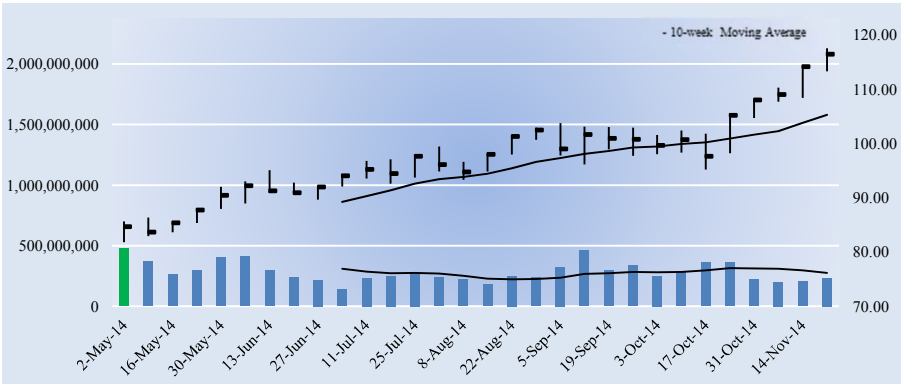
# Apple AAPL FAIRLY VALUED

**Buying Index™** 6 **Value Rating**

| Economic Castle | Stock Fair Value Range | Dividend Track Record | Dividend Safety / Cushion™ | Div Growth Potential | Dividend Yield |
|---|---|---|---|---|---|
| Highest Rated | $111.00 - $159.00 | HEALTHY | EXCELLENT / 4.7 | EXCELLENT | 1.61% |

**We're expecting some big increases in Apple's dividend in coming years.**

## Stock Chart (weekly)




## Company Vitals

| | |
|---|---|
| Market Cap (USD) | $713,107 |
| Avg Weekly Vol (30 wks) | 283,551 |
| 30-week Range (USD) | 81.793 - 117.57 |
| Valuentum Sector | Information Technology |
| Last Fiscal Year Revenue | 182,795 |
| Last Fiscal Year EPS | 6.45 |
| Last Fiscal Year EBITDA | 60,449 |
| Forward Revenue Growth (5-yr) | 7.1% |
| Forward EPS Growth (5-yr) | 10.7% |

## Dividend Vitals

| | |
|---|---|
| Current Annual Dividend Yield % | 1.6% |
| Annual Dividends Per Share | 1.88 |
| Forward Dividend Payout Ratio | 24.1% |
| 3-yr Historical Dividend CAGR | INF |
| 15-yr Historical Dividend CAGR | NA |
| 3-yr Hist Median Div Payout Ratio | 28.1% |
| 15-yr Hist Median Div Payout Ratio | 0.0% |

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

## Initial Annual Income Per Investment ($)

| # of Shares | Investment ($) | Annual Div's ($) |
|---|---|---|
| 25 | 2,911.75 | 47.00 |
| 50 | 5,823.50 | 94.00 |
| 100 | 11,647.00 | 188.00 |
| 200 | 23,294.00 | 376.00 |
| 300 | 34,941.00 | 564.00 |
| 400 | 46,588.00 | 752.00 |
| 500 | 58,235.00 | 940.00 |
| 1,000 | 116,470.00 | 1,880.00 |
| 2,000 | 232,940.00 | 3,760.00 |
| 5,000 | 582,350.00 | 9,400.00 |
| 10,000 | 1,164,700.00 | 18,800.00 |
| 50,000 | 5,823,500.00 | 94,000.00 |
| 100,000 | 11,647,000 | 188,000 |

Initial annual income is based on the firm's current forward annual dividend yield and could be subject to change.

## Dividend Safety / Cushion — EXCELLENT / 4.7

We assess the safety of a firm's dividend by adding the company's net cash to our forecast of its free cash flows over the next five years. We then divide that sum by the total expected dividends over the next five years. This process results in our Dividend Cushion™ ratio. A Dividend Cushion™ above 1 indicates a firm can cover its future dividends with net cash on hand and future free cash flow, while a score below 1 signals trouble may be on the horizon. And by extension, the greater the score, the safer the dividend, as excess cash can be used to offset any unexpected earnings shortfall. Apple scores a 4.7 on our Dividend Cushion™, which is EXCELLENT.

## Dividend Growth Potential — EXCELLENT

We judge the future potential growth of the dividend by evaluating the capacity for future increases, as measured by the Dividend Cushion™, and management's willingness to consistently raise the dividend, as measured by the firm's dividend track record. Apple registers an EXCELLENT rating on our scale, and we think the firm's annual dividend will be $3.83 per share within the next several years.

## Risk of Capital Loss — MEDIUM

We assess the risk of capital loss based on our analysis of a firm's intrinsic value at this point in time. If the stock is undervalued (based on our DCF process), we think the risk of failing to recoup one's original capital investment (ex dividends) is relatively LOW. If the stock is fairly valued (it falls within our fair value estimate range), we think the likelihood of losing capital (ex dividends) is MEDIUM. If the stock is trading above our estimate of its intrinsic value, we think the likelihood of losing at least a portion of one's original investment (ex dividends) is HIGH. Apple registers a score of MEDIUM on our scale.

## Key Dividend Considerations

| | |
|---|---|
| Current Annual Dividend Yield | **1.61%** |
| Annual Dividends per Share | **$1.88** |
| Initial Annual Div's Paid, $10k Investment | **$161.41** |
| Dividend Track Record | **HEALTHY** |
| Dividend Safety | **EXCELLENT** |
| Valuentum Dividend Cushion™ | **4.7** |
| Dividend Growth Potential | **EXCELLENT** |
| Risk of Capital Loss | **MEDIUM** |
| ValueRisk™ (Equity Margin of Safety) | **LOW** |

The Valuentum Dividend Cushion is a ratio that compares the firm's excess cash and cash flow to its future dividend stream. A score above 1 indicates cash flow is sufficient to cover future dividends (higher is better).

## Dividend Strength

| Dividend Safety \ Dividend Growth | Very Poor | Poor | Good | Excellent |
|---|---|---|---|---|
| Excellent | | | | |
| Good | | | | |
| Poor | | | | |
| Very Poor | | | | |

Firms that have safe and growing dividends score at the top right of our scale.

## Dividend Track Record — HEALTHY

| Fiscal Year | Div's/Share ($) | Div Growth % | EPS ($) | Payout Ratio |
|---|---|---|---|---|
| Sep-00 | 0.00 | 0.0 | 1.09 | 0.0% |
| Sep-01 | 0.00 | 0.0 | -0.06 | 0.0% |
| Sep-02 | 0.00 | 0.0 | 0.09 | 0.0% |
| Sep-03 | 0.00 | 0.0 | 0.10 | 0.0% |
| Sep-04 | 0.00 | 0.0 | 0.36 | 0.0% |
| Sep-05 | 0.00 | 0.0 | 1.56 | 0.0% |
| Sep-06 | 0.00 | 0.0 | 2.27 | 0.0% |
| Sep-07 | 0.00 | 0.0 | 3.93 | 0.0% |
| Sep-08 | 0.00 | 0.0 | 5.36 | 0.0% |
| Sep-09 | 0.00 | 0.0 | 9.08 | 0.0% |
| Sep-10 | 0.00 | 0.0 | 15.15 | 0.0% |
| Sep-11 | 0.00 | 0.0 | 27.68 | 0.0% |
| Sep-12 | 0.38 | 0.0 | 6.31 | 6.0% |
| Sep-13 | 1.63 | 328.9 | 5.68 | 28.7% |
| Sep-14 | 1.81 | 11.0 | 6.45 | 28.1% |
| ***Sep-15*** | ***1.88*** | ***3.9*** | ***7.80*** | ***24.1%*** |
| *Sep-16* | *2.35* | *25.0* | *8.60* | *27.3%* |
| *Sep-17* | *2.82* | *20.0* | *9.34* | *30.2%* |
| *Sep-18* | *3.33* | *18.0* | *10.06* | *33.1%* |
| *Sep-19* | *3.83* | *15.0* | *10.72* | *35.7%* |

Light green shading denotes a dividend increase, while light red shading denotes a dividend decrease. Heavy green shading denotes a significant dividend increase, while heavy red shading denotes a significant dividend decrease or an excessive payout ratio. NA = Not Applicable.

To view our full 16-page equity report on Apple, please visit our website at www.valuentum.com



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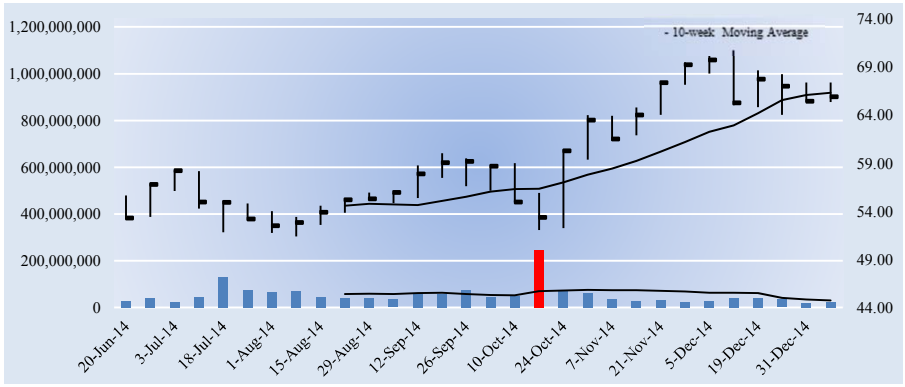
# AbbVie ABBV FAIRLY VALUED

**Buying Index™** 6 **Value Rating**

| Economic Castle | Stock Fair Value Range | Dividend Track Record | Dividend Safety / Cushion™ | Div Growth Potential | Dividend Yield |
|---|---|---|---|---|---|
| Very Attractive | $54.00 - $84.00 | HEALTHY | GOOD / 1.9 | EXCELLENT | 2.97% |

**AbbVie was spun out of Abbott, so its independent dividend history is limited. However, we like the strength of the payout.**

## Stock Chart (weekly)




## Company Vitals

| | |
|---|---|
| Market Cap (USD) | $105,688 |
| Avg Weekly Vol (30 wks) | 54,288 |
| 30-week Range (USD) | 51.37 - 70.76 |
| Valuentum Sector | Health Care |
| Last Fiscal Year Revenue | 18,790 |
| Last Fiscal Year EPS | 2.57 |
| Last Fiscal Year EBITDA | 6,052 |
| Forward Revenue Growth (5-yr) | 9.2% |
| Forward EPS Growth (5-yr) | 16.7% |

## Dividend Vitals

| | |
|---|---|
| Current Annual Dividend Yield % | 3.0% |
| Annual Dividends Per Share | 1.96 |
| Forward Dividend Payout Ratio | 58.8% |
| 3-yr Historical Dividend CAGR | NA |
| 15-yr Historical Dividend CAGR | NA |
| 3-yr Hist Median Div Payout Ratio | NA |
| 15-yr Hist Median Div Payout Ratio | NA |

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

## Initial Annual Income Per Investment ($)

| # of Shares | Investment ($) | Annual Div's ($) |
|---|---|---|
| 25 | 1,647.25 | 49.00 |
| 50 | 3,294.50 | 98.00 |
| 100 | 6,589.00 | 196.00 |
| 200 | 13,178.00 | 392.00 |
| 300 | 19,767.00 | 588.00 |
| 400 | 26,356.00 | 784.00 |
| 500 | 32,945.00 | 980.00 |
| 1,000 | 65,890.00 | 1,960.00 |
| 2,000 | 131,780.00 | 3,920.00 |
| 5,000 | 329,450.00 | 9,800.00 |
| 10,000 | 658,900.00 | 19,600.00 |
| 50,000 | 3,294,500.00 | 98,000.00 |
| 100,000 | 6,589,000.00 | 196,000.00 |

Initial annual income is based on the firm's current forward annual dividend yield and could be subject to change.

## Dividend Safety / Cushion — GOOD / 1.9

We assess the safety of a firm's dividend by adding the company's net cash to our forecast of its free cash flows over the next five years. We then divide that sum by the total expected dividends over the next five years. This process results in our Dividend Cushion™ ratio. A Dividend Cushion™ above 1 indicates a firm can cover its future dividends with net cash on hand and future free cash flow, while a score below 1 signals trouble may be on the horizon. And by extension, the greater the score, the safer the dividend, as excess cash can be used to offset any unexpected earnings shortfall. AbbVie scores a 1.9 on our Dividend Cushion™, which is GOOD.

## Dividend Growth Potential — EXCELLENT

We judge the future potential growth of the dividend by evaluating the capacity for future increases, as measured by the Dividend Cushion™, and management's willingness to consistently raise the dividend, as measured by the firm's dividend track record. AbbVie registers an EXCELLENT rating on our scale, and we think the firm's annual dividend will be $2.38 per share within the next several years.

## Risk of Capital Loss — MEDIUM

We assess the risk of capital loss based on our analysis of a firm's intrinsic value at this point in time. If the stock is undervalued (based on our DCF process), we think the risk of failing to recoup one's original capital investment (ex dividends) is relatively LOW. If the stock is fairly valued (it falls within our fair value estimate range), we think the likelihood of losing capital (ex dividends) is MEDIUM. If the stock is trading above our estimate of its intrinsic value, we think the likelihood of losing at least a portion of one's original investment (ex dividends) is HIGH. AbbVie registers a score of MEDIUM on our scale.

## Key Dividend Considerations

| | |
|---|---|
| Current Annual Dividend Yield | **2.97%** |
| Annual Dividends per Share | **$1.96** |
| Initial Annual Div's Paid, $10k Investment | **$297.47** |
| Dividend Track Record | **HEALTHY** |
| Dividend Safety | **GOOD** |
| Valuentum Dividend Cushion™ | **1.9** |
| Dividend Growth Potential | **EXCELLENT** |
| Risk of Capital Loss | **MEDIUM** |
| ValueRisk™ (Equity Margin of Safety) | **MEDIUM** |

The Valuentum Dividend Cushion is a ratio that compares the firm's excess cash and cash flow to its future dividend stream. A score above 1 indicates cash flow is sufficient to cover future dividends (higher is better).

## Dividend Strength

| Dividend Safety \ Dividend Growth | Very Poor | Poor | Good | Excellent |
|---|---|---|---|---|
| Excellent | | | | |
| Good | | | | |
| Poor | | | | |
| Very Poor | | | | |

Firms that have safe and growing dividends score at the top right of our scale.

## Dividend Track Record — HEALTHY

| Fiscal Year | Div's/Share ($) | Div Growth % | EPS ($) | Payout Ratio |
|---|---|---|---|---|
| NA | 0.00 | 0.0 | 0.00 | 0.0% |
| NA | 0.00 | 0.0 | 0.00 | 0.0% |
| NA | 0.00 | 0.0 | 0.00 | 0.0% |
| NA | 0.00 | 0.0 | 0.00 | 0.0% |
| NA | 0.00 | 0.0 | 0.00 | 0.0% |
| NA | 0.00 | 0.0 | 0.00 | 0.0% |
| NA | 0.00 | 0.0 | 0.00 | 0.0% |
| NA | 0.00 | 0.0 | 0.00 | 0.0% |
| NA | 0.00 | 0.0 | 0.00 | 0.0% |
| NA | 0.00 | 0.0 | 0.00 | 0.0% |
| NA | 0.00 | 0.0 | 0.00 | 0.0% |
| Dec-10 | 0.00 | 0.0 | 0.00 | 0.0% |
| Dec-11 | 0.00 | 0.0 | 0.00 | 0.0% |
| Dec-12 | 0.00 | 0.0 | 0.00 | 0.0% |
| Dec-13 | 1.60 | 0.0 | 3.35 | 47.8% |
| ***Dec-14*** | ***1.96*** | ***22.5*** | ***3.33*** | ***58.8%*** |
| *Dec-15* | *2.06* | *5.0* | *4.34* | *47.4%* |
| *Dec-16* | *2.16* | *5.0* | *4.84* | *44.6%* |
| *Dec-17* | *2.27* | *5.0* | *5.30* | *42.8%* |
| *Dec-18* | *2.38* | *5.0* | *5.57* | *42.8%* |

Light green shading denotes a dividend increase, while light red shading denotes a dividend decrease. Heavy green shading denotes a significant dividend increase, while heavy red shading denotes a significant dividend decrease or an excessive payout ratio. NA = Not Applicable.

To view our full 16-page equity report on AbbVie, please visit our website at www.valuentum.com



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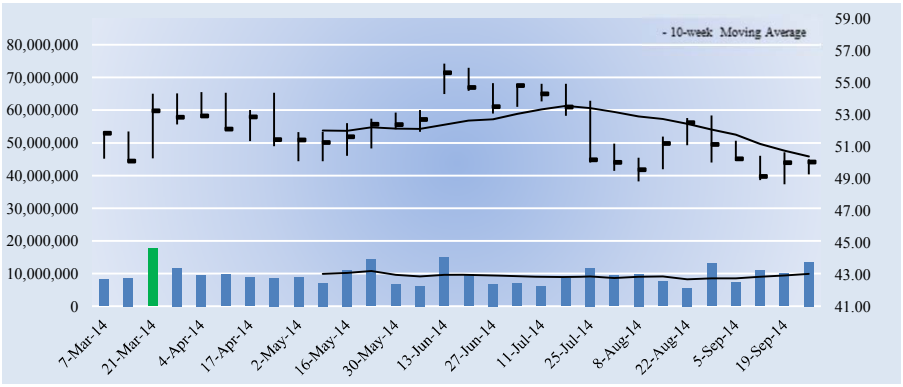
# Analog Devices ADI FAIRLY VALUED

Buying Index™ 3 Value Rating

| Economic Castle | Stock Fair Value Range | Dividend Track Record | Dividend Safety / Cushion™ | Div Growth Potential | Dividend Yield |
|---|---|---|---|---|---|
| Very Attractive | $42.00 - $62.00 | HEALTHY | EXCELLENT / 2.8 | EXCELLENT | 2.96% |

## Analog Devices' Dividend Cushion ratio is solid and so is its annual dividend yield.

### Stock Chart (weekly)




### Company Vitals

| | |
|---|---|
| Market Cap (USD) | $15,708 |
| Avg Weekly Vol (30 wks) | 9,624 |
| 30-week Range (USD) | 48.64 - 56.18 |
| Valuentum Sector | Information Technology |
| Last Fiscal Year Revenue | 2,634 |
| Last Fiscal Year EPS | 2.14 |
| Last Fiscal Year EBITDA | 893 |
| Forward Revenue Growth (5-yr) | 8.1% |
| Forward EPS Growth (5-yr) | 9.4% |

### Dividend Vitals

| | |
|---|---|
| Current Annual Dividend Yield % | 3.0% |
| Annual Dividends Per Share | 1.48 |
| Forward Dividend Payout Ratio | 61.6% |
| 3-yr Historical Dividend CAGR | 16.3% |
| 15-yr Historical Dividend CAGR | NA |
| 3-yr Hist Median Div Payout Ratio | 54.0% |
| 15-yr Hist Median Div Payout Ratio | 33.7% |

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

### Initial Annual Income Per Investment ($)

| # of Shares | Investment ($) | Annual Div's ($) |
|---|---|---|
| 25 | 1,250.50 | 37.00 |
| 50 | 2,501.00 | 74.00 |
| 100 | 5,002.00 | 148.00 |
| 200 | 10,004.00 | 296.00 |
| 300 | 15,006.00 | 444.00 |
| 400 | 20,008.00 | 592.00 |
| 500 | 25,010.00 | 740.00 |
| 1,000 | 50,020.00 | 1,480.00 |
| 2,000 | 100,040.00 | 2,960.00 |
| 5,000 | 250,100.00 | 7,400.00 |
| 10,000 | 500,200.00 | 14,800.00 |
| 50,000 | 2,501,000.00 | 74,000.00 |
| 100,000 | 5,002,000.00 | 148,000.00 |

Initial annual income is based on the firm's current forward annual dividend yield and could be subject to change.

### Dividend Safety / Cushion — EXCELLENT / 2.8

We assess the safety of a firm's dividend by adding the company's net cash to our forecast of its free cash flows over the next five years. We then divide that sum by the total expected dividends over the next five years. This process results in our Dividend Cushion™ ratio. A Dividend Cushion™ above 1 indicates a firm can cover its future dividends with net cash on hand and future free cash flow, while a score below 1 signals trouble may be on the horizon. And by extension, the greater the score, the safer the dividend, as excess cash can be used to offset any unexpected earnings shortfall. Analog Devices scores a 2.8 on our Dividend Cushion™, which is EXCELLENT.

### Dividend Growth Potential — EXCELLENT

We judge the future potential growth of the dividend by evaluating the capacity for future increases, as measured by the Dividend Cushion™, and management's willingness to consistently raise the dividend, as measured by the firm's dividend track record. Analog Devices registers an EXCELLENT rating on our scale, and we think the firm's annual dividend will be $2.25 per share within the next several years.

### Risk of Capital Loss — MEDIUM

We assess the risk of capital loss based on our analysis of a firm's intrinsic value at this point in time. If the stock is undervalued (based on our DCF process), we think the risk of failing to recoup one's original capital investment (ex dividends) is relatively LOW. If the stock is fairly valued (it falls within our fair value estimate range), we think the likelihood of losing capital (ex dividends) is MEDIUM. If the stock is trading above our estimate of its intrinsic value, we think the likelihood of losing at least a portion of one's original investment (ex dividends) is HIGH. Analog Devices registers a score of MEDIUM on our scale.

### Key Dividend Considerations

| | |
|---|---|
| Current Annual Dividend Yield | **2.96%** |
| Annual Dividends per Share | **$1.48** |
| Initial Annual Div's Paid, $10k Investment | **$295.88** |
| Dividend Track Record | **HEALTHY** |
| Dividend Safety | **EXCELLENT** |
| Valuentum Dividend Cushion™ | **2.8** |
| Dividend Growth Potential | **EXCELLENT** |
| Risk of Capital Loss | **MEDIUM** |
| ValueRisk™ (Equity Margin of Safety) | **LOW** |

The Valuentum Dividend Cushion is a ratio that compares the firm's excess cash and cash flow to its future dividend stream. A score above 1 indicates cash flow is sufficient to cover future dividends (higher is better).

### Dividend Strength

| Dividend Safety \ Dividend Growth | Very Poor | Poor | Good | Excellent |
|---|---|---|---|---|
| Excellent | | | | |
| Good | | | | |
| Poor | | | | |
| Very Poor | | | | |

Firms that have safe and growing dividends score at the top right of our scale.

### Dividend Track Record — HEALTHY

| Fiscal Year | Div's/Share ($) | Div Growth % | EPS ($) | Payout Ratio |
|---|---|---|---|---|
| Oct-99 | 0.00 | 0.0 | 0.55 | 0.0% |
| Oct-00 | 0.00 | 0.0 | 1.59 | 0.0% |
| Oct-01 | 0.00 | 0.0 | 0.93 | 0.0% |
| Oct-02 | 0.00 | 0.0 | 0.28 | 0.0% |
| Oct-03 | 0.00 | 0.0 | 0.78 | 0.0% |
| Oct-04 | 0.20 | 0.0 | 1.45 | 13.8% |
| Oct-05 | 0.32 | 60.0 | 1.08 | 29.6% |
| Oct-06 | 0.56 | 75.0 | 1.48 | 37.8% |
| Oct-07 | 0.70 | 25.0 | 1.51 | 46.4% |
| Oct-08 | 0.76 | 8.6 | 1.77 | 42.9% |
| Oct-09 | 0.80 | 5.3 | 0.85 | 94.1% |
| Oct-10 | 0.84 | 5.0 | 2.33 | 36.1% |
| Oct-11 | 0.94 | 11.9 | 2.79 | 33.7% |
| Oct-12 | 1.15 | 22.3 | 2.13 | 54.0% |
| Oct-13 | 1.32 | 14.8 | 2.14 | 61.7% |
| ***Oct-14*** | ***1.48*** | ***12.1*** | ***2.40*** | ***61.6%*** |
| *Oct-15* | *1.66* | *12.0* | *2.86* | *58.0%* |
| *Oct-16* | *1.86* | *12.0* | *3.08* | *60.4%* |
| *Oct-17* | *2.04* | *10.0* | *3.25* | *62.9%* |
| *Oct-18* | *2.25* | *10.0* | *3.36* | *66.8%* |

Light green shading denotes a dividend increase, while light red shading denotes a dividend decrease. Heavy green shading denotes a significant dividend increase, while heavy red shading denotes a significant dividend decrease or an excessive payout ratio. NA = Not Applicable.

To view our full 16-page equity report on Analog Devices, please visit our website at www.valuentum.com



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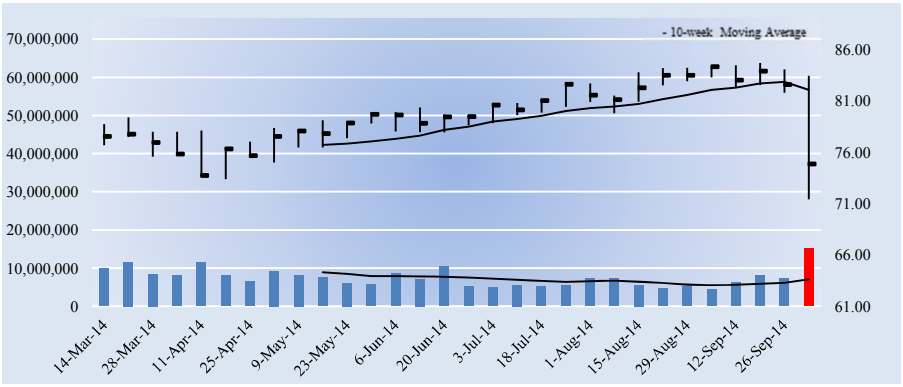
# Automatic Data Processing ADP UNDERVALUED 0.2%

**Buying Index™** 3 **Value Rating** ✓

| Economic Castle | Stock Fair Value Range | Dividend Track Record | Dividend Safety / Cushion™ | Div Growth Potential | Dividend Yield |
|---|---|---|---|---|---|
| Very Attractive | $75.00 - $113.00 | HEALTHY | EXCELLENT / 6 | EXCELLENT | 2.57% |

**ADP has fantastic dividend growth prospects thanks in part to its pristine credit health.**

## Stock Chart (weekly)




## Company Vitals

| | |
|---|---|
| Market Cap (USD) | $36,160 |
| Avg Weekly Vol (30 wks) | 7,450 |
| 30-week Range (USD) | 71.41 - 84.68 |
| Valuentum Sector | Information Technology |
| Last Fiscal Year Revenue | 12,207 |
| Last Fiscal Year EPS | 3.11 |
| Last Fiscal Year EBITDA | 2,280 |
| Forward Revenue Growth (5-yr) | 3.0% |
| Forward EPS Growth (5-yr) | 5.2% |

## Dividend Vitals

| | |
|---|---|
| Current Annual Dividend Yield % | 2.6% |
| Annual Dividends Per Share | 1.92 |
| Forward Dividend Payout Ratio | 64.9% |
| 3-yr Historical Dividend CAGR | 7.4% |
| 15-yr Historical Dividend CAGR | NA |
| 3-yr Hist Median Div Payout Ratio | 60.5% |
| 15-yr Hist Median Div Payout Ratio | 45.4% |

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

## Initial Annual Income Per Investment ($)

| # of Shares | Investment ($) | Annual Div's ($) |
|---|---|---|
| 25 | 1,871.25 | 48.00 |
| 50 | 3,742.50 | 96.00 |
| 100 | 7,485.00 | 192.00 |
| 200 | 14,970.00 | 384.00 |
| 300 | 22,455.00 | 576.00 |
| 400 | 29,940.00 | 768.00 |
| 500 | 37,425.00 | 960.00 |
| 1,000 | 74,850.00 | 1,920.00 |
| 2,000 | 149,700.00 | 3,840.00 |
| 5,000 | 374,250.00 | 9,600.00 |
| 10,000 | 748,500.00 | 19,200.00 |
| 50,000 | 3,742,500.00 | 96,000.00 |
| 100,000 | 7,485,000.00 | 192,000.00 |

Initial annual income is based on the firm's current forward annual dividend yield and could be subject to change.

## Dividend Safety / Cushion — EXCELLENT / 6

We assess the safety of a firm's dividend by adding the company's net cash to our forecast of its free cash flows over the next five years. We then divide that sum by the total expected dividends over the next five years. This process results in our Dividend Cushion™ ratio. A Dividend Cushion™ above 1 indicates a firm can cover its future dividends with net cash on hand and future free cash flow, while a score below 1 signals trouble may be on the horizon. And by extension, the greater the score, the safer the dividend, as excess cash can be used to offset any unexpected earnings shortfall. Automatic Data Processing scores a 6 on our Dividend Cushion™, which is EXCELLENT.

## Dividend Growth Potential — EXCELLENT

We judge the future potential growth of the dividend by evaluating the capacity for future increases, as measured by the Dividend Cushion™, and management's willingness to consistently raise the dividend, as measured by the firm's dividend track record. Automatic Data Processing registers an EXCELLENT rating on our scale, and we think the firm's annual dividend will be $2.61 per share within the next several years.

## Risk of Capital Loss — LOW

We assess the risk of capital loss based on our analysis of a firm's intrinsic value at this point in time. If the stock is undervalued (based on our DCF process), we think the risk of failing to recoup one's original capital investment (ex dividends) is relatively LOW. If the stock is fairly valued (it falls within our fair value estimate range), we think the likelihood of losing capital (ex dividends) is MEDIUM. If the stock is trading above our estimate of its intrinsic value, we think the likelihood of losing at least a portion of one's original investment (ex dividends) is HIGH. Automatic Data Processing registers a score of LOW on our scale.

## Key Dividend Considerations

| | |
|---|---|
| Current Annual Dividend Yield | **2.57%** |
| Annual Dividends per Share | **$1.92** |
| Initial Annual Div's Paid, $10k Investment | **$256.51** |
| Dividend Track Record | **HEALTHY** |
| Dividend Safety | **EXCELLENT** |
| Valuentum Dividend Cushion™ | **6.0** |
| Dividend Growth Potential | **EXCELLENT** |
| Risk of Capital Loss | **LOW** |
| ValueRisk™ (Equity Margin of Safety) | **LOW** |

The Valuentum Dividend Cushion is a ratio that compares the firm's excess cash and cash flow to its future dividend stream. A score above 1 indicates cash flow is sufficient to cover future dividends (higher is better).

## Dividend Strength

| Dividend Safety \ Dividend Growth | Very Poor | Poor | Good | Excellent |
|---|---|---|---|---|
| Excellent | | | | |
| Good | | | | |
| Poor | | | | |
| Very Poor | | | | |

Firms that have safe and growing dividends score at the top right of our scale.

## Dividend Track Record — HEALTHY

| Fiscal Year | Div's/Share ($) | Div Growth % | EPS ($) | Payout Ratio |
|---|---|---|---|---|
| Jun-00 | NA | 0.0 | 1.31 | 0.0% |
| Jun-01 | NA | 0.0 | 1.44 | 0.0% |
| Jun-02 | NA | 0.0 | 1.75 | 0.0% |
| Jun-03 | NA | 0.0 | 1.68 | 0.0% |
| Jun-04 | NA | 0.0 | 1.56 | 0.0% |
| Jun-05 | NA | 0.0 | 1.79 | 0.0% |
| Jun-06 | NA | 0.0 | 1.85 | 0.0% |
| Jun-07 | 0.83 | 0.0 | 1.83 | 45.4% |
| Jun-08 | 1.04 | 25.3 | 2.20 | 47.3% |
| Jun-09 | 1.28 | 23.1 | 2.63 | 48.7% |
| Jun-10 | 1.35 | 5.5 | 2.40 | 56.3% |
| Jun-11 | 1.42 | 5.2 | 2.52 | 56.3% |
| Jun-12 | 1.55 | 9.2 | 2.82 | 55.0% |
| Jun-13 | 1.70 | 9.7 | 2.80 | 60.7% |
| Jun-14 | 1.88 | 10.6 | 3.11 | 60.5% |
| ***Jun-15*** | ***1.92*** | ***2.1*** | ***2.96*** | ***64.9%*** |
| *Jun-16* | *2.07* | *8.0* | *3.33* | *62.2%* |
| *Jun-17* | *2.24* | *8.0* | *3.59* | *62.4%* |
| *Jun-18* | *2.42* | *8.0* | *3.82* | *63.4%* |
| *Jun-19* | *2.61* | *8.0* | *4.01* | *65.2%* |

Light green shading denotes a dividend increase, while light red shading denotes a dividend decrease. Heavy green shading denotes a significant dividend increase, while heavy red shading denotes a significant dividend decrease or an excessive payout ratio. NA = Not Applicable.

To view our full 16-page equity report on Automatic Data Processing, please visit our website at www.valuentum.com



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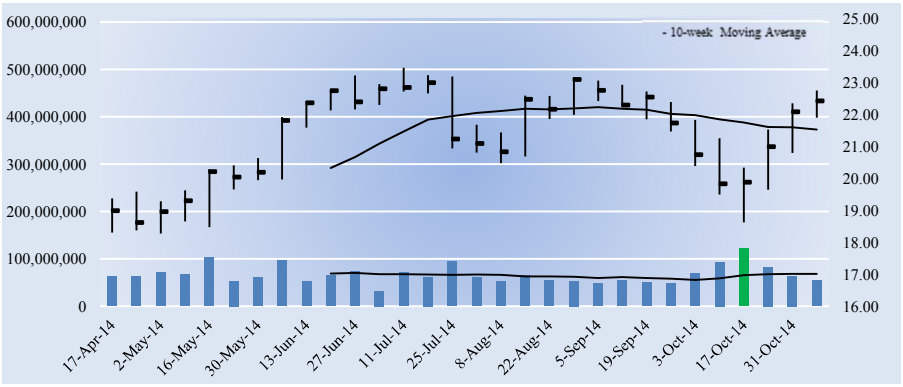
# Applied Materials AMAT FAIRLY VALUED

**Buying Index™** 6 **Value Rating**

| Economic Castle | Stock Fair Value Range | Dividend Track Record | Dividend Safety / Cushion™ | Div Growth Potential | Dividend Yield |
|---|---|---|---|---|---|
| Attractive | $18.00 - $26.00 | HEALTHY | EXCELLENT / 3.1 | EXCELLENT | 1.78% |

## Applied Materials has an excellent Dividend Cushion ratio.

### Stock Chart (weekly)




### Company Vitals

| | |
|---|---|
| Market Cap (USD) | $27,342 |
| Avg Weekly Vol (30 wks) | 66,528 |
| 30-week Range (USD) | 18.27 - 23.46 |
| Valuentum Sector | Information Technology |
| Last Fiscal Year Revenue | 7,509 |
| Last Fiscal Year EPS | 0.21 |
| Last Fiscal Year EBITDA | 1,179 |
| Forward Revenue Growth (5-yr) | 9.9% |
| Forward EPS Growth (5-yr) | 53.2% |

### Dividend Vitals

| | |
|---|---|
| Current Annual Dividend Yield % | 1.8% |
| Annual Dividends Per Share | 0.40 |
| Forward Dividend Payout Ratio | 37.4% |
| 3-yr Historical Dividend CAGR | 10.1% |
| 15-yr Historical Dividend CAGR | NA |
| 3-yr Hist Median Div Payout Ratio | 181.0% |
| 15-yr Hist Median Div Payout Ratio | 8.2% |

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

### Initial Annual Income Per Investment ($)

| # of Shares | Investment ($) | Annual Div's ($) |
|---|---|---|
| 25 | 560.75 | 10.00 |
| 50 | 1,121.50 | 20.00 |
| 100 | 2,243.00 | 40.00 |
| 200 | 4,486.00 | 80.00 |
| 300 | 6,729.00 | 120.00 |
| 400 | 8,972.00 | 160.00 |
| 500 | 11,215.00 | 200.00 |
| 1,000 | 22,430.00 | 400.00 |
| 2,000 | 44,860.00 | 800.00 |
| 5,000 | 112,150.00 | 2,000.00 |
| 10,000 | 224,300.00 | 4,000.00 |
| 50,000 | 1,121,500.00 | 20,000.00 |
| 100,000 | 2,243,000.00 | 40,000.00 |

Initial annual income is based on the firm's current forward annual dividend yield and could be subject to change.

### Dividend Safety / Cushion — EXCELLENT / 3.1

We assess the safety of a firm's dividend by adding the company's net cash to our forecast of its free cash flows over the next five years. We then divide that sum by the total expected dividends over the next five years. This process results in our Dividend Cushion™ ratio. A Dividend Cushion™ above 1 indicates a firm can cover its future dividends with net cash on hand and future free cash flow, while a score below 1 signals trouble may be on the horizon. And by extension, the greater the score, the safer the dividend, as excess cash can be used to offset any unexpected earnings shortfall. Applied Materials scores a 3.1 on our Dividend Cushion™, which is EXCELLENT.

### Dividend Growth Potential — EXCELLENT

We judge the future potential growth of the dividend by evaluating the capacity for future increases, as measured by the Dividend Cushion™, and management's willingness to consistently raise the dividend, as measured by the firm's dividend track record. Applied Materials registers an EXCELLENT rating on our scale, and we think the firm's annual dividend will be $0.54 per share within the next several years.

### Risk of Capital Loss — MEDIUM

We assess the risk of capital loss based on our analysis of a firm's intrinsic value at this point in time. If the stock is undervalued (based on our DCF process), we think the risk of failing to recoup one's original capital investment (ex dividends) is relatively LOW. If the stock is fairly valued (it falls within our fair value estimate range), we think the likelihood of losing capital (ex dividends) is MEDIUM. If the stock is trading above our estimate of its intrinsic value, we think the likelihood of losing at least a portion of one's original investment (ex dividends) is HIGH. Applied Materials registers a score of MEDIUM on our scale.

### Key Dividend Considerations

| | |
|---|---|
| Current Annual Dividend Yield | **1.78%** |
| Annual Dividends per Share | **$0.40** |
| Initial Annual Div's Paid, $10k Investment | **$178.33** |
| Dividend Track Record | **HEALTHY** |
| Dividend Safety | **EXCELLENT** |
| Valuentum Dividend Cushion™ | **3.1** |
| Dividend Growth Potential | **EXCELLENT** |
| Risk of Capital Loss | **MEDIUM** |
| ValueRisk™ (Equity Margin of Safety) | **LOW** |

The Valuentum Dividend Cushion is a ratio that compares the firm's excess cash and cash flow to its future dividend stream. A score above 1 indicates cash flow is sufficient to cover future dividends (higher is better).

### Dividend Strength

| Dividend Safety \ Dividend Growth | Very Poor | Poor | Good | Excellent |
|---|---|---|---|---|
| Excellent | | | | |
| Good | | | | |
| Poor | | | | |
| Very Poor | | | | |

Firms that have safe and growing dividends score at the top right of our scale.

### Dividend Track Record — HEALTHY

| Fiscal Year | Div's/Share ($) | Div Growth % | EPS ($) | Payout Ratio |
|---|---|---|---|---|
| Oct-99 | 0.00 | 0.0 | 0.46 | 0.0% |
| Oct-00 | 0.00 | 0.0 | 1.20 | 0.0% |
| Oct-01 | 0.00 | 0.0 | 0.46 | 0.0% |
| Oct-02 | 0.00 | 0.0 | 0.16 | 0.0% |
| Oct-03 | 0.00 | 0.0 | -0.09 | 0.0% |
| Oct-04 | 0.00 | 0.0 | 0.78 | 0.0% |
| Oct-05 | 0.06 | 0.0 | 0.73 | 8.2% |
| Oct-06 | 0.16 | 166.7 | 0.97 | 16.5% |
| Oct-07 | 0.22 | 37.5 | 1.20 | 18.3% |
| Oct-08 | 0.24 | 9.1 | 0.70 | 34.3% |
| Oct-09 | 0.24 | 0.0 | -0.23 | -104.3% |
| Oct-10 | 0.26 | 8.3 | 0.70 | 37.1% |
| Oct-11 | 0.30 | 15.4 | 1.45 | 20.7% |
| Oct-12 | 0.34 | 13.3 | 0.09 | 377.8% |
| Oct-13 | 0.38 | 11.8 | 0.21 | 181.0% |
| ***Oct-14*** | ***0.40*** | ***5.3*** | ***1.07*** | ***37.4%*** |
| *Oct-15* | *0.43* | *8.0* | *1.36* | *31.7%* |
| *Oct-16* | *0.47* | *8.0* | *1.51* | *30.9%* |
| *Oct-17* | *0.50* | *8.0* | *1.65* | *30.5%* |
| *Oct-18* | *0.54* | *8.0* | *1.77* | *30.7%* |

Light green shading denotes a dividend increase, while light red shading denotes a dividend decrease. Heavy green shading denotes a significant dividend increase, while heavy red shading denotes a significant dividend decrease or an excessive payout ratio. NA = Not Applicable.

To view our full 16-page equity report on Applied Materials, please visit our website at www.valuentum.com



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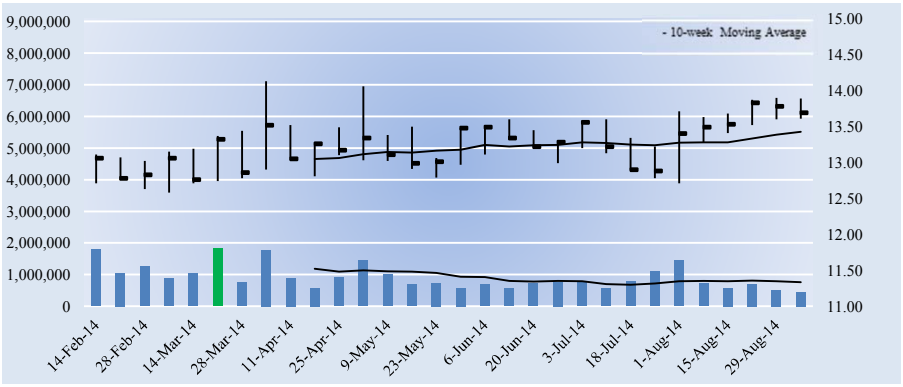
# AVX Corp AVX FAIRLY VALUED

Buying Index™ 6 Value Rating

| Economic Castle | Stock Fair Value Range | Dividend Track Record | Dividend Safety / Cushion™ | Div Growth Potential | Dividend Yield |
|---|---|---|---|---|---|
| Attractive | $11.00 - $19.00 | HEALTHY | EXCELLENT / 4.2 | EXCELLENT | 2.78% |

**AVX has stepped up its pace of dividend increases in recent years, and we're highly impressed with its strong Valuentum Dividend Cushion score.**

## Stock Chart (weekly)




## Key Dividend Considerations

| | |
|---|---|
| Current Annual Dividend Yield | **2.78%** |
| Annual Dividends per Share | **$0.38** |
| Initial Annual Div's Paid, $10k Investment | **$277.57** |
| Dividend Track Record | **HEALTHY** |
| Dividend Safety | **EXCELLENT** |
| Valuentum Dividend Cushion™ | **4.2** |
| Dividend Growth Potential | **EXCELLENT** |
| Risk of Capital Loss | **MEDIUM** |
| ValueRisk™ (Equity Margin of Safety) | **MEDIUM** |

The Valuentum Dividend Cushion is a ratio that compares the firm's excess cash and cash flow to its future dividend stream. A score above 1 indicates cash flow is sufficient to cover future dividends (higher is better).

## Dividend Strength

| Dividend Safety \ Dividend Growth | Very Poor | Poor | Good | Excellent |
|---|---|---|---|---|
| Excellent | | | | |
| Good | | | | |
| Poor | | | | |
| Very Poor | | | | |

Firms that have safe and growing dividends score at the top right of our scale.

## Company Vitals

| | |
|---|---|
| Market Cap (USD) | $2,309 |
| Avg Weekly Vol (30 wks) | 915 |
| 30-week Range (USD) | 12.58 - 14.13 |
| Valuentum Sector | Information Technology |
| Last Fiscal Year Revenue | 1,443 |
| Last Fiscal Year EPS | 0.75 |
| Last Fiscal Year EBITDA | 209 |
| Forward Revenue Growth (5-yr) | 3.6% |
| Forward EPS Growth (5-yr) | 6.1% |

## Dividend Vitals

| | |
|---|---|
| Current Annual Dividend Yield % | 2.8% |
| Annual Dividends Per Share | 0.38 |
| Forward Dividend Payout Ratio | 42.8% |
| 3-yr Historical Dividend CAGR | 13.5% |
| 15-yr Historical Dividend CAGR | NA |
| 3-yr Hist Median Div Payout Ratio | 28.9% |
| 15-yr Hist Median Div Payout Ratio | 16.9% |

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

## Initial Annual Income Per Investment ($)

| # of Shares | Investment ($) | Annual Div's ($) |
|---|---|---|
| 25 | 342.25 | 9.50 |
| 50 | 684.50 | 19.00 |
| 100 | 1,369.00 | 38.00 |
| 200 | 2,738.00 | 76.00 |
| 300 | 4,107.00 | 114.00 |
| 400 | 5,476.00 | 152.00 |
| 500 | 6,845.00 | 190.00 |
| 1,000 | 13,690.00 | 380.00 |
| 2,000 | 27,380.00 | 760.00 |
| 5,000 | 68,450.00 | 1,900.00 |
| 10,000 | 136,900.00 | 3,800.00 |
| 50,000 | 684,500.00 | 19,000.00 |
| 100,000 | 1,369,000.00 | 38,000.00 |

Initial annual income is based on the firm's current forward annual dividend yield and could be subject to change.

## Dividend Safety / Cushion — EXCELLENT / 4.2

We assess the safety of a firm's dividend by adding the company's net cash to our forecast of its free cash flows over the next five years. We then divide that sum by the total expected dividends over the next five years. This process results in our Dividend Cushion™ ratio. A Dividend Cushion™ above 1 indicates a firm can cover its future dividends with net cash on hand and future free cash flow, while a score below 1 signals trouble may be on the horizon. And by extension, the greater the score, the safer the dividend, as excess cash can be used to offset any unexpected earnings shortfall. AVX Corp scores a 4.2 on our Dividend Cushion™, which is EXCELLENT.

## Dividend Growth Potential — EXCELLENT

We judge the future potential growth of the dividend by evaluating the capacity for future increases, as measured by the Dividend Cushion™, and management's willingness to consistently raise the dividend, as measured by the firm's dividend track record. AVX Corp registers an EXCELLENT rating on our scale, and we think the firm's annual dividend will be $0.57 per share within the next several years.

## Risk of Capital Loss — MEDIUM

We assess the risk of capital loss based on our analysis of a firm's intrinsic value at this point in time. If the stock is undervalued (based on our DCF process), we think the risk of failing to recoup one's original capital investment (ex dividends) is relatively LOW. If the stock is fairly valued (it falls within our fair value estimate range), we think the likelihood of losing capital (ex dividends) is MEDIUM. If the stock is trading above our estimate of its intrinsic value, we think the likelihood of losing at least a portion of one's original investment (ex dividends) is HIGH. AVX Corp registers a score of MEDIUM on our scale.

## Dividend Track Record — HEALTHY

| Fiscal Year | Div's/Share ($) | Div Growth % | EPS ($) | Payout Ratio |
|---|---|---|---|---|
| Mar-00 | NA | 0.0 | 0.90 | 0.0% |
| Mar-01 | NA | 0.0 | 3.22 | 0.0% |
| Mar-02 | NA | 0.0 | -0.04 | 0.0% |
| Mar-03 | NA | 0.0 | -0.07 | 0.0% |
| Mar-04 | 0.15 | 0.0 | -0.62 | -24.2% |
| Mar-05 | 0.15 | 0.0 | 0.32 | 46.9% |
| Mar-06 | 0.15 | 0.0 | 0.47 | 31.9% |
| Mar-07 | 0.15 | 0.0 | 0.89 | 16.9% |
| Mar-08 | 0.16 | 6.7 | 0.87 | 18.4% |
| Mar-09 | 0.16 | 0.0 | 0.47 | 34.0% |
| Mar-10 | 0.16 | 0.0 | 0.84 | 19.0% |
| Mar-11 | 0.19 | 18.8 | 1.43 | 13.3% |
| Mar-12 | 0.26 | 36.8 | 0.90 | 28.9% |
| Mar-13 | 0.30 | 15.4 | -0.38 | -78.9% |
| Mar-14 | 0.36 | 20.0 | 0.75 | 48.0% |
| ***Mar-15*** | ***0.38*** | ***5.6*** | ***0.89*** | ***42.8%*** |
| *Mar-16* | *0.43* | *12.0* | *0.90* | *47.3%* |
| *Mar-17* | *0.47* | *10.0* | *0.94* | *49.7%* |
| *Mar-18* | *0.51* | *10.0* | *0.98* | *52.5%* |
| *Mar-19* | *0.57* | *10.0* | *1.01* | *55.9%* |

Light green shading denotes a dividend increase, while light red shading denotes a dividend decrease. Heavy green shading denotes a significant dividend increase, while heavy red shading denotes a significant dividend decrease or an excessive payout ratio. NA = Not Applicable.

To view our full 16-page equity report on AVX Corp, please visit our website at www.valuentum.com



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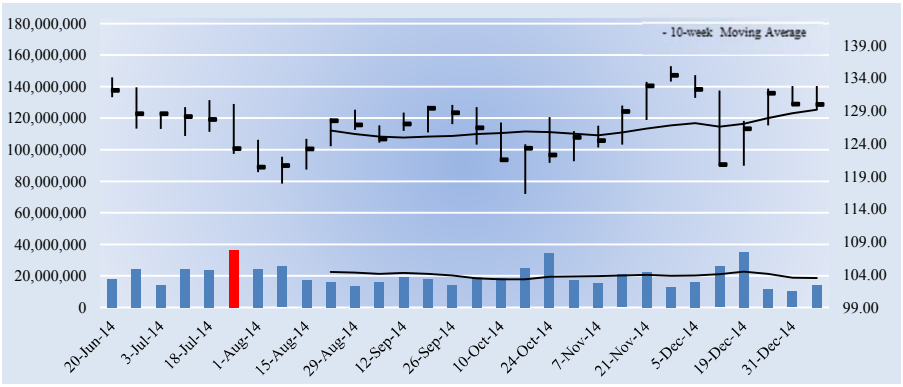
# Boeing BA FAIRLY VALUED

**Buying Index™** 7 **Value Rating**

| Economic Castle | Stock Fair Value Range | Dividend Track Record | Dividend Safety / Cushion™ | Div Growth Potential | Dividend Yield |
|---|---|---|---|---|---|
| Attractive | $101.00 - $168.00 | HEALTHY | EXCELLENT / 3.1 | EXCELLENT | 2.25% |

## Boeing has a very healthy dividend.

### Stock Chart (weekly)




### Company Vitals

| | |
|---|---|
| Market Cap (USD) | $99,750 |
| Avg Weekly Vol (30 wks) | 20,274 |
| 30-week Range (USD) | 116.32 - 135.78 |
| Valuentum Sector | Industrials |
| Last Fiscal Year Revenue | 86,623 |
| Last Fiscal Year EPS | 5.97 |
| Last Fiscal Year EBITDA | 8,172 |
| Forward Revenue Growth (5-yr) | 5.1% |
| Forward EPS Growth (5-yr) | 13.7% |

### Dividend Vitals

| | |
|---|---|
| Current Annual Dividend Yield % | 2.2% |
| Annual Dividends Per Share | 2.92 |
| Forward Dividend Payout Ratio | 34.6% |
| 3-yr Historical Dividend CAGR | 20.2% |
| 15-yr Historical Dividend CAGR | 11.6% |
| 3-yr Hist Median Div Payout Ratio | 32.6% |
| 15-yr Hist Median Div Payout Ratio | 32.6% |

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

### Initial Annual Income Per Investment ($)

| # of Shares | Investment ($) | Annual Div's ($) |
|---|---|---|
| 25 | 3,248.75 | 73.00 |
| 50 | 6,497.50 | 146.00 |
| 100 | 12,995.00 | 292.00 |
| 200 | 25,990.00 | 584.00 |
| 300 | 38,985.00 | 876.00 |
| 400 | 51,980.00 | 1,168.00 |
| 500 | 64,975.00 | 1,460.00 |
| 1,000 | 129,950.00 | 2,920.00 |
| 2,000 | 259,900.00 | 5,840.00 |
| 5,000 | 649,750.00 | 14,600.00 |
| 10,000 | 1,299,500.00 | 29,200.00 |
| 50,000 | 6,497,500.00 | 146,000.00 |
| 100,000 | 12,995,000 | 292,000.00 |

Initial annual income is based on the firm's current forward annual dividend yield and could be subject to change.

### Dividend Safety / Cushion — EXCELLENT / 3.1

We assess the safety of a firm's dividend by adding the company's net cash to our forecast of its free cash flows over the next five years. We then divide that sum by the total expected dividends over the next five years. This process results in our Dividend Cushion™ ratio. A Dividend Cushion™ above 1 indicates a firm can cover its future dividends with net cash on hand and future free cash flow, while a score below 1 signals trouble may be on the horizon. And by extension, the greater the score, the safer the dividend, as excess cash can be used to offset any unexpected earnings shortfall. Boeing scores a 3.1 on our Dividend Cushion™, which is EXCELLENT.

### Dividend Growth Potential — EXCELLENT

We judge the future potential growth of the dividend by evaluating the capacity for future increases, as measured by the Dividend Cushion™, and management's willingness to consistently raise the dividend, as measured by the firm's dividend track record. Boeing registers an EXCELLENT rating on our scale, and we think the firm's annual dividend will be $4.27 per share within the next several years.

### Risk of Capital Loss — MEDIUM

We assess the risk of capital loss based on our analysis of a firm's intrinsic value at this point in time. If the stock is undervalued (based on our DCF process), we think the risk of failing to recoup one's original capital investment (ex dividends) is relatively LOW. If the stock is fairly valued (it falls within our fair value estimate range), we think the likelihood of losing capital (ex dividends) is MEDIUM. If the stock is trading above our estimate of its intrinsic value, we think the likelihood of losing at least a portion of one's original investment (ex dividends) is HIGH. Boeing registers a score of MEDIUM on our scale.

### Key Dividend Considerations

| | |
|---|---|
| Current Annual Dividend Yield | **2.25%** |
| Annual Dividends per Share | **$2.92** |
| Initial Annual Div's Paid, $10k Investment | **$224.70** |
| Dividend Track Record | **HEALTHY** |
| Dividend Safety | **EXCELLENT** |
| Valuentum Dividend Cushion™ | **3.1** |
| Dividend Growth Potential | **EXCELLENT** |
| Risk of Capital Loss | **MEDIUM** |
| ValueRisk™ (Equity Margin of Safety) | **MEDIUM** |

The Valuentum Dividend Cushion is a ratio that compares the firm's excess cash and cash flow to its future dividend stream. A score above 1 indicates cash flow is sufficient to cover future dividends (higher is better).

### Dividend Strength

| Dividend Safety \ Dividend Growth | Very Poor | Poor | Good | Excellent |
|---|---|---|---|---|
| Excellent | | | | |
| Good | | | | |
| Poor | | | | |
| Very Poor | | | | |

Firms that have safe and growing dividends score at the top right of our scale.

### Dividend Track Record — HEALTHY

| Fiscal Year | Div's/Share ($) | Div Growth % | EPS ($) | Payout Ratio |
|---|---|---|---|---|
| Dec-99 | 0.56 | 0.0 | 2.49 | 22.5% |
| Dec-00 | 0.56 | 0.0 | 2.44 | 23.0% |
| Dec-01 | 0.68 | 21.4 | 3.41 | 19.9% |
| Dec-02 | 0.68 | 0.0 | 2.87 | 23.7% |
| Dec-03 | 0.68 | 0.0 | 0.89 | 76.4% |
| Dec-04 | 0.77 | 13.2 | 2.24 | 34.4% |
| Dec-05 | 1.00 | 29.9 | 3.19 | 31.3% |
| Dec-06 | 1.20 | 20.0 | 2.84 | 42.3% |
| Dec-07 | 1.40 | 16.7 | 5.26 | 26.6% |
| Dec-08 | 1.60 | 14.3 | 3.65 | 43.8% |
| Dec-09 | 1.68 | 5.0 | 1.87 | 89.8% |
| Dec-10 | 1.68 | 0.0 | 4.46 | 37.7% |
| Dec-11 | 1.68 | 0.0 | 5.33 | 31.5% |
| Dec-12 | 1.76 | 4.8 | 5.11 | 34.4% |
| Dec-13 | 1.94 | 10.2 | 5.96 | 32.6% |
| ***Dec-14*** | ***2.92*** | ***50.5*** | ***8.44*** | ***34.6%*** |
| *Dec-15* | *3.27* | *12.0* | *8.70* | *37.6%* |
| *Dec-16* | *3.60* | *10.0* | *9.55* | *37.7%* |
| *Dec-17* | *3.96* | *10.0* | *10.44* | *37.9%* |
| *Dec-18* | *4.27* | *8.0* | *11.35* | *37.6%* |

Light green shading denotes a dividend increase, while light red shading denotes a dividend decrease. Heavy green shading denotes a significant dividend increase, while heavy red shading denotes a significant dividend decrease or an excessive payout ratio. NA = Not Applicable.

To view our full 16-page equity report on Boeing, please visit our website at www.valuentum.com



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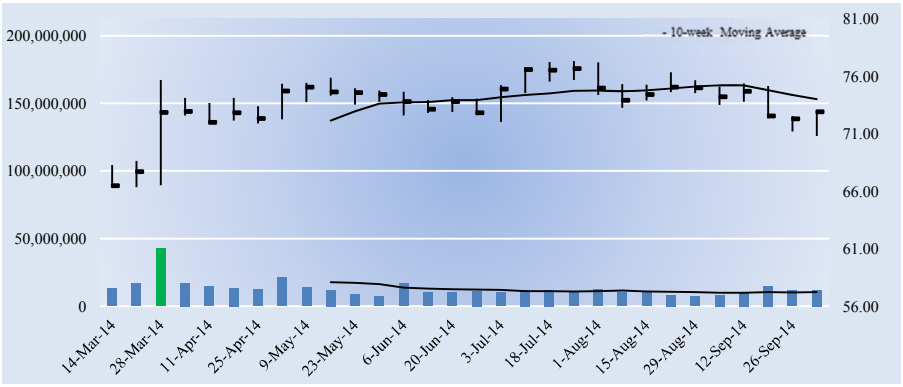
# Baxter Intl BAX FAIRLY VALUED

**Buying Index™** 3 **Value Rating**

| Economic Castle | Stock Fair Value Range | Dividend Track Record | Dividend Safety / Cushion™ | Div Growth Potential | Dividend Yield |
|---|---|---|---|---|---|
| Attractive | $57.00 - $85.00 | HEALTHY | GOOD / 1.4 | EXCELLENT | 2.85% |

**Baxter's dividend looks solid, and it continues to target a dividend payout ratio of about 40%.**

## Stock Chart (weekly)




## Key Dividend Considerations

| | |
|---|---|
| Current Annual Dividend Yield | **2.85%** |
| Annual Dividends per Share | **$2.08** |
| Initial Annual Div's Paid, $10k Investment | **$285.28** |
| Dividend Track Record | **HEALTHY** |
| Dividend Safety | **GOOD** |
| Valuentum Dividend Cushion™ | **1.4** |
| Dividend Growth Potential | **EXCELLENT** |
| Risk of Capital Loss | **MEDIUM** |
| ValueRisk™ (Equity Margin of Safety) | **LOW** |

The Valuentum Dividend Cushion is a ratio that compares the firm's excess cash and cash flow to its future dividend stream. A score above 1 indicates cash flow is sufficient to cover future dividends (higher is better).

## Dividend Strength

| Dividend Safety \ Dividend Growth | Very Poor | Poor | Good | Excellent |
|---|---|---|---|---|
| Excellent | | | | |
| Good | | | | |
| Poor | | | | |
| Very Poor | | | | |

Firms that have safe and growing dividends score at the top right of our scale.

## Company Vitals

| | |
|---|---|
| Market Cap (USD) | $40,028 |
| Avg Weekly Vol (30 wks) | 13,032 |
| 30-week Range (USD) | 66.34 - 77.31 |
| Valuentum Sector | Health Care |
| Last Fiscal Year Revenue | 15,259 |
| Last Fiscal Year EPS | 3.66 |
| Last Fiscal Year EBITDA | 3,491 |
| Forward Revenue Growth (5-yr) | 4.3% |
| Forward EPS Growth (5-yr) | 11.9% |

## Dividend Vitals

| | |
|---|---|
| Current Annual Dividend Yield % | 2.9% |
| Annual Dividends Per Share | 2.08 |
| Forward Dividend Payout Ratio | 39.9% |
| 3-yr Historical Dividend CAGR | 17.9% |
| 15-yr Historical Dividend CAGR | NA |
| 3-yr Hist Median Div Payout Ratio | 37.6% |
| 15-yr Hist Median Div Payout Ratio | 0.0% |

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

## Initial Annual Income Per Investment ($)

| # of Shares | Investment ($) | Annual Div's ($) |
|---|---|---|
| 25 | 1,822.75 | 52.00 |
| 50 | 3,645.50 | 104.00 |
| 100 | 7,291.00 | 208.00 |
| 200 | 14,582.00 | 416.00 |
| 300 | 21,873.00 | 624.00 |
| 400 | 29,164.00 | 832.00 |
| 500 | 36,455.00 | 1,040.00 |
| 1,000 | 72,910.00 | 2,080.00 |
| 2,000 | 145,820.00 | 4,160.00 |
| 5,000 | 364,550.00 | 10,400.00 |
| 10,000 | 729,100.00 | 20,800.00 |
| 50,000 | 3,645,500.00 | 104,000.00 |
| 100,000 | 7,291,000.00 | 208,000.00 |

Initial annual income is based on the firm's current forward annual dividend yield and could be subject to change.

## Dividend Safety / Cushion — GOOD / 1.4

We assess the safety of a firm's dividend by adding the company's net cash to our forecast of its free cash flows over the next five years. We then divide that sum by the total expected dividends over the next five years. This process results in our Dividend Cushion™ ratio. A Dividend Cushion™ above 1 indicates a firm can cover its future dividends with net cash on hand and future free cash flow, while a score below 1 signals trouble may be on the horizon. And by extension, the greater the score, the safer the dividend, as excess cash can be used to offset any unexpected earnings shortfall. Baxter Intl scores a 1.4 on our Dividend Cushion™, which is GOOD.

## Dividend Growth Potential — EXCELLENT

We judge the future potential growth of the dividend by evaluating the capacity for future increases, as measured by the Dividend Cushion™, and management's willingness to consistently raise the dividend, as measured by the firm's dividend track record. Baxter Intl registers an EXCELLENT rating on our scale, and we think the firm's annual dividend will be $2.83 per share within the next several years.

## Risk of Capital Loss — MEDIUM

We assess the risk of capital loss based on our analysis of a firm's intrinsic value at this point in time. If the stock is undervalued (based on our DCF process), we think the risk of failing to recoup one's original capital investment (ex dividends) is relatively LOW. If the stock is fairly valued (it falls within our fair value estimate range), we think the likelihood of losing capital (ex dividends) is MEDIUM. If the stock is trading above our estimate of its intrinsic value, we think the likelihood of losing at least a portion of one's original investment (ex dividends) is HIGH. Baxter Intl registers a score of MEDIUM on our scale.

## Dividend Track Record — HEALTHY

| Fiscal Year | Div's/Share ($) | Div Growth % | EPS ($) | Payout Ratio |
|---|---|---|---|---|
| Dec-99 | NA | 0.0 | 1.32 | 0.0% |
| Dec-00 | NA | 0.0 | 1.24 | 0.0% |
| Dec-01 | NA | 0.0 | 1.09 | 0.0% |
| Dec-02 | NA | 0.0 | 1.67 | 0.0% |
| Dec-03 | NA | 0.0 | 1.52 | 0.0% |
| Dec-04 | NA | 0.0 | 0.62 | 0.0% |
| Dec-05 | NA | 0.0 | 1.52 | 0.0% |
| Dec-06 | NA | 0.0 | 2.13 | 0.0% |
| Dec-07 | NA | 0.0 | 2.61 | 0.0% |
| Dec-08 | NA | 0.0 | 3.16 | 0.0% |
| Dec-09 | NA | 0.0 | 3.59 | 0.0% |
| Dec-10 | NA | 0.0 | 2.39 | 0.0% |
| Dec-11 | 1.27 | 0.0 | 3.88 | 32.7% |
| Dec-12 | 1.57 | 23.6 | 4.18 | 37.6% |
| Dec-13 | 1.92 | 22.3 | 3.66 | 52.5% |
| ***Dec-14*** | ***2.08*** | ***8.3*** | ***5.21*** | ***39.9%*** |
| *Dec-15* | *2.25* | *8.0* | *5.38* | *41.7%* |
| *Dec-16* | *2.43* | *8.0* | *5.67* | *42.8%* |
| *Dec-17* | *2.62* | *8.0* | *6.01* | *43.6%* |
| *Dec-18* | *2.83* | *8.0* | *6.43* | *44.0%* |

Light green shading denotes a dividend increase, while light red shading denotes a dividend decrease. Heavy green shading denotes a significant dividend increase, while heavy red shading denotes a significant dividend decrease or an excessive payout ratio. NA = Not Applicable.

To view our full 16-page equity report on Baxter Intl, please visit our website at www.valuentum.com



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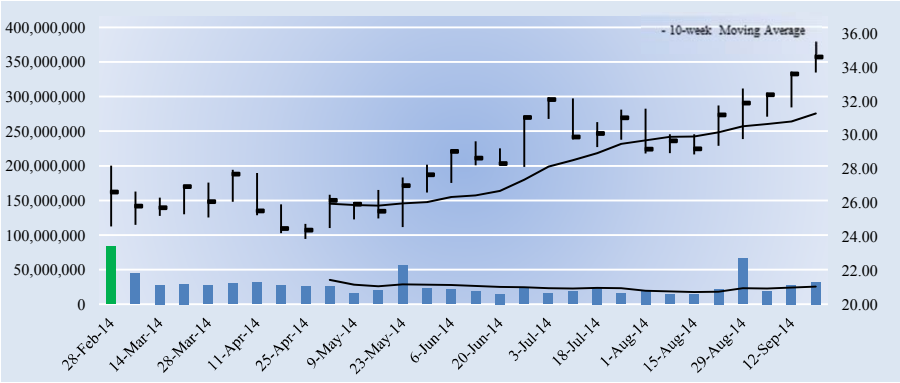
# Best Buy BBY FAIRLY VALUED

**Buying Index™** 6 **Value Rating**

| Economic Castle | Stock Fair Value Range | Dividend Track Record | Dividend Safety / Cushion™ | Div Growth Potential | Dividend Yield |
|---|---|---|---|---|---|
| Attractive | $25.00 - $46.00 | HEALTHY | EXCELLENT / 4 | EXCELLENT | 2.20% |

**Though we like Best Buy's Dividend Cushion ratio, competitive threats from Amazon cannot be ignored.**

## Stock Chart (weekly)




## Company Vitals

| | |
|---|---|
| Market Cap (USD) | $12,030 |
| Avg Weekly Vol (30 wks) | 27,721 |
| 30-week Range (USD) | 23.87 - 35.53 |
| Valuentum Sector | Consumer Discretionary |
| Last Fiscal Year Revenue | 42,410 |
| Last Fiscal Year EPS | 2.01 |
| Last Fiscal Year EBITDA | 2,015 |
| Forward Revenue Growth (5-yr) | 0.0% |
| Forward EPS Growth (5-yr) | 0.1% |

## Dividend Vitals

| | |
|---|---|
| Current Annual Dividend Yield % | 2.2% |
| Annual Dividends Per Share | 0.76 |
| Forward Dividend Payout Ratio | 32.6% |
| 3-yr Historical Dividend CAGR | 7.0% |
| 15-yr Historical Dividend CAGR | NA |
| 3-yr Hist Median Div Payout Ratio | -21.5% |
| 15-yr Hist Median Div Payout Ratio | 13.7% |

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

## Initial Annual Income Per Investment ($)

| # of Shares | Investment ($) | Annual Div's ($) |
|---|---|---|
| 25 | 865.25 | 19.00 |
| 50 | 1,730.50 | 38.00 |
| 100 | 3,461.00 | 76.00 |
| 200 | 6,922.00 | 152.00 |
| 300 | 10,383.00 | 228.00 |
| 400 | 13,844.00 | 304.00 |
| 500 | 17,305.00 | 380.00 |
| 1,000 | 34,610.00 | 760.00 |
| 2,000 | 69,220.00 | 1,520.00 |
| 5,000 | 173,050.00 | 3,800.00 |
| 10,000 | 346,100.00 | 7,600.00 |
| 50,000 | 1,730,500.00 | 38,000.00 |
| 100,000 | 3,461,000.00 | 76,000.00 |

Initial annual income is based on the firm's current forward annual dividend yield and could be subject to change.

## Dividend Safety / Cushion — EXCELLENT / 4

We assess the safety of a firm's dividend by adding the company's net cash to our forecast of its free cash flows over the next five years. We then divide that sum by the total expected dividends over the next five years. This process results in our Dividend Cushion™ ratio. A Dividend Cushion™ above 1 indicates a firm can cover its future dividends with net cash on hand and future free cash flow, while a score below 1 signals trouble may be on the horizon. And by extension, the greater the score, the safer the dividend, as excess cash can be used to offset any unexpected earnings shortfall. Best Buy scores a 4 on our Dividend Cushion™, which is EXCELLENT.

## Dividend Growth Potential — EXCELLENT

We judge the future potential growth of the dividend by evaluating the capacity for future increases, as measured by the Dividend Cushion™, and management's willingness to consistently raise the dividend, as measured by the firm's dividend track record. Best Buy registers an EXCELLENT rating on our scale, and we think the firm's annual dividend will be $1.06 per share within the next several years.

## Risk of Capital Loss — MEDIUM

We assess the risk of capital loss based on our analysis of a firm's intrinsic value at this point in time. If the stock is undervalued (based on our DCF process), we think the risk of failing to recoup one's original capital investment (ex dividends) is relatively LOW. If the stock is fairly valued (it falls within our fair value estimate range), we think the likelihood of losing capital (ex dividends) is MEDIUM. If the stock is trading above our estimate of its intrinsic value, we think the likelihood of losing at least a portion of one's original investment (ex dividends) is HIGH. Best Buy registers a score of MEDIUM on our scale.

## Key Dividend Considerations

| | |
|---|---|
| Current Annual Dividend Yield | **2.20%** |
| Annual Dividends per Share | **$0.76** |
| Initial Annual Div's Paid, $10k Investment | **$219.59** |
| Dividend Track Record | **HEALTHY** |
| Dividend Safety | **EXCELLENT** |
| Valuentum Dividend Cushion™ | **4.0** |
| Dividend Growth Potential | **EXCELLENT** |
| Risk of Capital Loss | **MEDIUM** |
| ValueRisk™ (Equity Margin of Safety) | **MEDIUM** |

The Valuentum Dividend Cushion is a ratio that compares the firm's excess cash and cash flow to its future dividend stream. A score above 1 indicates cash flow is sufficient to cover future dividends (higher is better).

## Dividend Strength

| Dividend Safety \ Dividend Growth | Very Poor | Poor | Good | Excellent |
|---|---|---|---|---|
| Excellent | | | | |
| Good | | | | |
| Poor | | | | |
| Very Poor | | | | |

Firms that have safe and growing dividends score at the top right of our scale.

## Dividend Track Record — HEALTHY

| Fiscal Year | Div's/Share ($) | Div Growth % | EPS ($) | Payout Ratio |
|---|---|---|---|---|
| Feb-00 | 0.00 | 0.0 | 0.73 | 0.0% |
| Feb-01 | 0.00 | 0.0 | 0.83 | 0.0% |
| Feb-02 | 0.00 | 0.0 | 1.18 | 0.0% |
| Feb-03 | 0.00 | 0.0 | 1.27 | 0.0% |
| Feb-04 | 0.27 | 0.0 | 1.63 | 16.6% |
| Feb-05 | 0.28 | 3.7 | 1.86 | 15.1% |
| Feb-06 | 0.31 | 10.7 | 2.27 | 13.7% |
| Feb-07 | 0.36 | 16.1 | 2.79 | 12.9% |
| Feb-08 | 0.46 | 27.8 | 3.12 | 14.7% |
| Feb-09 | 0.54 | 17.4 | 2.39 | 22.6% |
| Feb-10 | 0.56 | 3.7 | 3.10 | 18.1% |
| Feb-11 | 0.58 | 3.6 | 3.08 | 18.8% |
| Feb-12 | 0.62 | 6.9 | -2.89 | -21.5% |
| Jan-13 | 0.66 | 6.5 | -1.31 | -50.4% |
| Jan-14 | 0.68 | 3.0 | 1.98 | 34.3% |
| ***Jan-15*** | ***0.76*** | ***11.8*** | ***2.33*** | ***32.6%*** |
| *Jan-16* | *0.84* | *10.0* | *2.62* | *32.0%* |
| *Jan-17* | *0.91* | *9.0* | *2.44* | *37.4%* |
| *Jan-18* | *0.98* | *8.0* | *2.24* | *44.0%* |
| *Jan-19* | *1.06* | *8.0* | *2.02* | *52.6%* |

Light green shading denotes a dividend increase, while light red shading denotes a dividend decrease. Heavy green shading denotes a significant dividend increase, while heavy red shading denotes a significant dividend decrease or an excessive payout ratio. NA = Not Applicable.

To view our full 16-page equity report on Best Buy, please visit our website at www.valuentum.com



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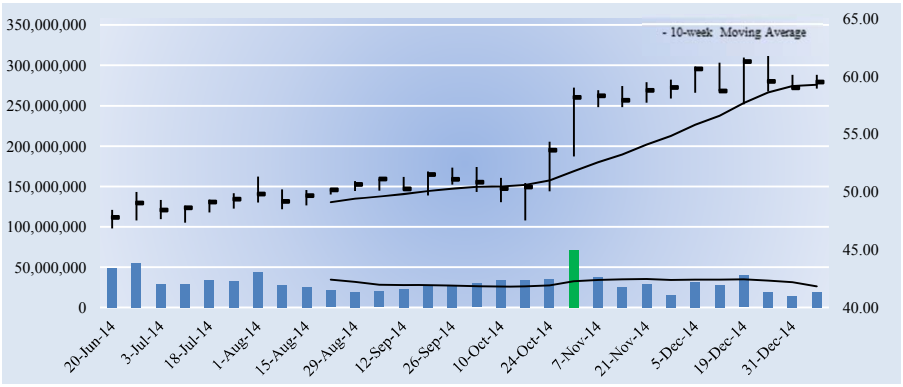
# Bristol-Myers Squibb BMY FAIRLY VALUED

**Buying Index™** 6 **Value Rating**

| Economic Castle | Stock Fair Value Range | Dividend Track Record | Dividend Safety / Cushion™ | Div Growth Potential | Dividend Yield |
|---|---|---|---|---|---|
| Attractive | $40.00 - $60.00 | HEALTHY | GOOD / 1.5 | GOOD | 2.49% |

**Bristol-Myers' dividend appears secure, and modest increases in it should be expected.**

## Stock Chart (weekly)




## Company Vitals

| | |
|---|---|
| Market Cap (USD) | $98,906 |
| Avg Weekly Vol (30 wks) | 31,019 |
| 30-week Range (USD) | 46.84 - 61.77 |
| Valuentum Sector | Health Care |
| Last Fiscal Year Revenue | 16,385 |
| Last Fiscal Year EPS | 1.54 |
| Last Fiscal Year EBITDA | 3,859 |
| Forward Revenue Growth (5-yr) | 3.6% |
| Forward EPS Growth (5-yr) | 19.9% |

## Dividend Vitals

| | |
|---|---|
| Current Annual Dividend Yield % | 2.5% |
| Annual Dividends Per Share | 1.48 |
| Forward Dividend Payout Ratio | 81.4% |
| 3-yr Historical Dividend CAGR | 3.9% |
| 15-yr Historical Dividend CAGR | NA |
| 3-yr Hist Median Div Payout Ratio | 90.9% |
| 15-yr Hist Median Div Payout Ratio | 78.5% |

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

## Initial Annual Income Per Investment ($)

| # of Shares | Investment ($) | Annual Div's ($) |
|---|---|---|
| 25 | 1,487.75 | 37.00 |
| 50 | 2,975.50 | 74.00 |
| 100 | 5,951.00 | 148.00 |
| 200 | 11,902.00 | 296.00 |
| 300 | 17,853.00 | 444.00 |
| 400 | 23,804.00 | 592.00 |
| 500 | 29,755.00 | 740.00 |
| 1,000 | 59,510.00 | 1,480.00 |
| 2,000 | 119,020.00 | 2,960.00 |
| 5,000 | 297,550.00 | 7,400.00 |
| 10,000 | 595,100.00 | 14,800.00 |
| 50,000 | 2,975,500.00 | 74,000.00 |
| 100,000 | 5,951,000.00 | 148,000.00 |

Initial annual income is based on the firm's current forward annual dividend yield and could be subject to change.

## Dividend Safety / Cushion — GOOD / 1.5

We assess the safety of a firm's dividend by adding the company's net cash to our forecast of its free cash flows over the next five years. We then divide that sum by the total expected dividends over the next five years. This process results in our Dividend Cushion™ ratio. A Dividend Cushion™ above 1 indicates a firm can cover its future dividends with net cash on hand and future free cash flow, while a score below 1 signals trouble may be on the horizon. And by extension, the greater the score, the safer the dividend, as excess cash can be used to offset any unexpected earnings shortfall. Bristol-Myers Squibb scores a 1.5 on our Dividend Cushion™, which is GOOD.

## Dividend Growth Potential — GOOD

We judge the future potential growth of the dividend by evaluating the capacity for future increases, as measured by the Dividend Cushion™, and management's willingness to consistently raise the dividend, as measured by the firm's dividend track record. Bristol-Myers Squibb registers an GOOD rating on our scale, and we think the firm's annual dividend will be $1.73 per share within the next several years.

## Risk of Capital Loss — MEDIUM

We assess the risk of capital loss based on our analysis of a firm's intrinsic value at this point in time. If the stock is undervalued (based on our DCF process), we think the risk of failing to recoup one's original capital investment (ex dividends) is relatively LOW. If the stock is fairly valued (it falls within our fair value estimate range), we think the likelihood of losing capital (ex dividends) is MEDIUM. If the stock is trading above our estimate of its intrinsic value, we think the likelihood of losing at least a portion of one's original investment (ex dividends) is HIGH. Bristol-Myers Squibb registers a score of MEDIUM on our scale.

## Key Dividend Considerations

| | |
|---|---|
| Current Annual Dividend Yield | **2.49%** |
| Annual Dividends per Share | **$1.48** |
| Initial Annual Div's Paid, $10k Investment | **$248.70** |
| Dividend Track Record | **HEALTHY** |
| Dividend Safety | **GOOD** |
| Valuentum Dividend Cushion™ | **1.5** |
| Dividend Growth Potential | **GOOD** |
| Risk of Capital Loss | **MEDIUM** |
| ValueRisk™ (Equity Margin of Safety) | **LOW** |

The Valuentum Dividend Cushion is a ratio that compares the firm's excess cash and cash flow to its future dividend stream. A score above 1 indicates cash flow is sufficient to cover future dividends (higher is better).

## Dividend Strength

| Dividend Safety \ Dividend Growth | Very Poor | Poor | Good | Excellent |
|---|---|---|---|---|
| Excellent | | | | |
| Good | | | ■ | |
| Poor | | | | |
| Very Poor | | | | |

Firms that have safe and growing dividends score at the top right of our scale.

## Dividend Track Record — HEALTHY

| Fiscal Year | Div's/Share ($) | Div Growth % | EPS ($) | Payout Ratio |
|---|---|---|---|---|
| Dec-99 | NA | 0.0 | 2.06 | 0.0% |
| Dec-00 | 1.00 | 0.0 | 2.05 | 48.8% |
| Dec-01 | 1.12 | 12.0 | 1.04 | 107.7% |
| Dec-02 | 1.12 | 0.0 | 1.05 | 106.7% |
| Dec-03 | 1.12 | 0.0 | 1.59 | 70.4% |
| Dec-04 | 1.12 | 0.0 | 1.21 | 92.6% |
| Dec-05 | 1.12 | 0.0 | 1.52 | 73.7% |
| Dec-06 | 1.12 | 0.0 | 0.81 | 138.3% |
| Dec-07 | 1.12 | 0.0 | 0.99 | 113.1% |
| Dec-08 | 1.24 | 10.7 | 1.59 | 78.0% |
| Dec-09 | 1.28 | 3.2 | 1.63 | 78.5% |
| Dec-10 | 1.28 | 0.0 | 1.79 | 71.5% |
| Dec-11 | 1.32 | 3.1 | 2.16 | 61.1% |
| Dec-12 | 1.36 | 3.0 | 1.16 | 117.2% |
| Dec-13 | 1.40 | 2.9 | 1.54 | 90.9% |
| ***Dec-14*** | ***1.48*** | ***5.7*** | ***1.82*** | ***81.4%*** |
| *Dec-15* | *1.52* | *3.0* | *1.82* | *83.9%* |
| *Dec-16* | *1.59* | *4.0* | *2.34* | *67.7%* |
| *Dec-17* | *1.65* | *4.0* | *2.99* | *55.1%* |
| *Dec-18* | *1.73* | *5.0* | *3.83* | *45.3%* |

Light green shading denotes a dividend increase, while light red shading denotes a dividend decrease. Heavy green shading denotes a significant dividend increase, while heavy red shading denotes a significant dividend decrease or an excessive payout ratio. NA = Not Applicable.

To view our full 16-page equity report on Bristol-Myers Squibb, please visit our website at www.valuentum.com



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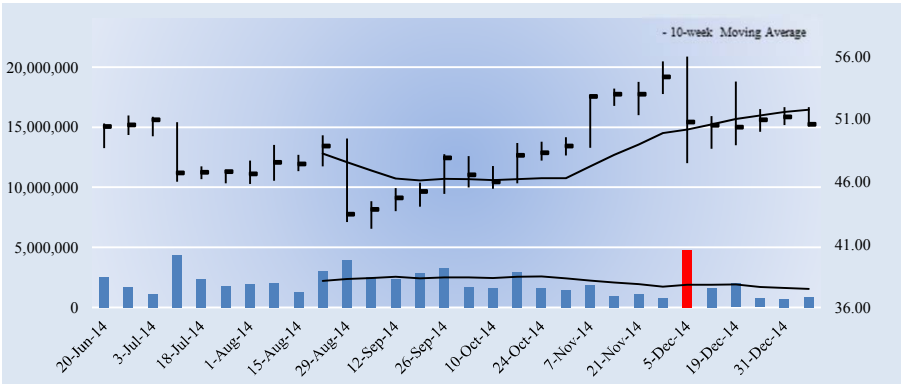
# Bob Evans BOBE FAIRLY VALUED

**Buying Index™** 3 **Value Rating**

| Economic Castle | Stock Fair Value Range | Dividend Track Record | Dividend Safety / Cushion™ | Div Growth Potential | Dividend Yield |
|---|---|---|---|---|---|
| Attractive | $35.00 - $53.00 | HEALTHY | GOOD / 1.6 | EXCELLENT | 2.45% |

**Bob Evans' dividend is as solid as it is impressive. We're paying close attention to the firm as an addition to the Dividend Growth portfolio.**

## Stock Chart (weekly)




## Key Dividend Considerations

| | |
|---|---|
| Current Annual Dividend Yield | **2.45%** |
| Annual Dividends per Share | **$1.24** |
| Initial Annual Div's Paid, $10k Investment | **$245.06** |
| Dividend Track Record | **HEALTHY** |
| Dividend Safety | **GOOD** |
| Valuentum Dividend Cushion™ | **1.6** |
| Dividend Growth Potential | **EXCELLENT** |
| Risk of Capital Loss | **MEDIUM** |
| ValueRisk™ (Equity Margin of Safety) | **LOW** |

The Valuentum Dividend Cushion is a ratio that compares the firm's excess cash and cash flow to its future dividend stream. A score above 1 indicates cash flow is sufficient to cover future dividends (higher is better).

## Dividend Strength

| Dividend Safety \ Dividend Growth | Very Poor | Poor | Good | Excellent |
|---|---|---|---|---|
| Excellent | | | | |
| Good | | | | |
| Poor | | | | |
| Very Poor | | | | |

Firms that have safe and growing dividends score at the top right of our scale.

## Company Vitals

| | |
|---|---|
| Market Cap (USD) | $1,351 |
| Avg Weekly Vol (30 wks) | 2,068 |
| 30-week Range (USD) | 42.28 - 55.99 |
| Valuentum Sector | Consumer Discretionary |
| Last Fiscal Year Revenue | 1,329 |
| Last Fiscal Year EPS | 1.16 |
| Last Fiscal Year EBITDA | 123 |
| Forward Revenue Growth (5-yr) | 3.8% |
| Forward EPS Growth (5-yr) | 32.1% |

## Dividend Vitals

| | |
|---|---|
| Current Annual Dividend Yield % | 2.5% |
| Annual Dividends Per Share | 1.24 |
| Forward Dividend Payout Ratio | 64.3% |
| 3-yr Historical Dividend CAGR | 9.3% |
| 15-yr Historical Dividend CAGR | 8.6% |
| 3-yr Hist Median Div Payout Ratio | 38.8% |
| 15-yr Hist Median Div Payout Ratio | 28.7% |

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

## Initial Annual Income Per Investment ($)

| # of Shares | Investment ($) | Annual Div's ($) |
|---|---|---|
| 25 | 1,265.00 | 31.00 |
| 50 | 2,530.00 | 62.00 |
| 100 | 5,060.00 | 124.00 |
| 200 | 10,120.00 | 248.00 |
| 300 | 15,180.00 | 372.00 |
| 400 | 20,240.00 | 496.00 |
| 500 | 25,300.00 | 620.00 |
| 1,000 | 50,600.00 | 1,240.00 |
| 2,000 | 101,200.00 | 2,480.00 |
| 5,000 | 253,000.00 | 6,200.00 |
| 10,000 | 506,000.00 | 12,400.00 |
| 50,000 | 2,530,000.00 | 62,000.00 |
| 100,000 | 5,060,000.00 | 124,000.00 |

Initial annual income is based on the firm's current forward annual dividend yield and could be subject to change.

## Dividend Safety / Cushion — GOOD / 1.6

We assess the safety of a firm's dividend by adding the company's net cash to our forecast of its free cash flows over the next five years. We then divide that sum by the total expected dividends over the next five years. This process results in our Dividend Cushion™ ratio. A Dividend Cushion™ above 1 indicates a firm can cover its future dividends with net cash on hand and future free cash flow, while a score below 1 signals trouble may be on the horizon. And by extension, the greater the score, the safer the dividend, as excess cash can be used to offset any unexpected earnings shortfall. Bob Evans scores a 1.6 on our Dividend Cushion™, which is GOOD.

## Dividend Growth Potential — EXCELLENT

We judge the future potential growth of the dividend by evaluating the capacity for future increases, as measured by the Dividend Cushion™, and management's willingness to consistently raise the dividend, as measured by the firm's dividend track record. Bob Evans registers an EXCELLENT rating on our scale, and we think the firm's annual dividend will be $1.78 per share within the next several years.

## Risk of Capital Loss — MEDIUM

We assess the risk of capital loss based on our analysis of a firm's intrinsic value at this point in time. If the stock is undervalued (based on our DCF process), we think the risk of failing to recoup one's original capital investment (ex dividends) is relatively LOW. If the stock is fairly valued (it falls within our fair value estimate range), we think the likelihood of losing capital (ex dividends) is MEDIUM. If the stock is trading above our estimate of its intrinsic value, we think the likelihood of losing at least a portion of one's original investment (ex dividends) is HIGH. Bob Evans registers a score of MEDIUM on our scale.

## Dividend Track Record — HEALTHY

| Fiscal Year | Div's/Share ($) | Div Growth % | EPS ($) | Payout Ratio |
|---|---|---|---|---|
| Apr-00 | 0.36 | 0.0 | 1.38 | 26.1% |
| Apr-01 | 0.36 | 0.0 | 1.44 | 25.0% |
| Apr-02 | 0.38 | 5.6 | 1.91 | 19.9% |
| Apr-03 | 0.43 | 13.2 | 2.10 | 20.5% |
| Apr-04 | 0.47 | 9.3 | 2.03 | 23.2% |
| Apr-05 | 0.48 | 2.1 | 1.04 | 46.2% |
| Apr-06 | 0.48 | 0.0 | 1.52 | 31.6% |
| Apr-07 | 0.54 | 12.5 | 1.66 | 32.5% |
| Apr-08 | 0.56 | 3.7 | 1.95 | 28.7% |
| Apr-09 | 0.60 | 7.1 | -0.17 | -352.9% |
| Apr-10 | 0.68 | 13.3 | 2.28 | 29.8% |
| Apr-11 | 0.78 | 14.7 | 1.78 | 43.8% |
| Apr-12 | 0.95 | 21.8 | 2.45 | 38.8% |
| Apr-13 | 1.08 | 13.7 | -0.10 | -1080.0% |
| Apr-14 | 1.21 | 12.0 | 1.16 | 104.3% |
| ***Apr-15*** | ***1.24*** | ***2.5*** | ***1.93*** | ***64.3%*** |
| *Apr-16* | *1.39* | *12.0* | *2.36* | *58.8%* |
| *Apr-17* | *1.53* | *10.0* | *3.07* | *49.8%* |
| *Apr-18* | *1.65* | *8.0* | *3.83* | *43.0%* |
| *Apr-19* | *1.78* | *8.0* | *4.66* | *38.2%* |

Light green shading denotes a dividend increase, while light red shading denotes a dividend decrease. Heavy green shading denotes a significant dividend increase, while heavy red shading denotes a significant dividend decrease or an excessive payout ratio. NA = Not Applicable.

To view our full 16-page equity report on Bob Evans, please visit our website at www.valuentum.com



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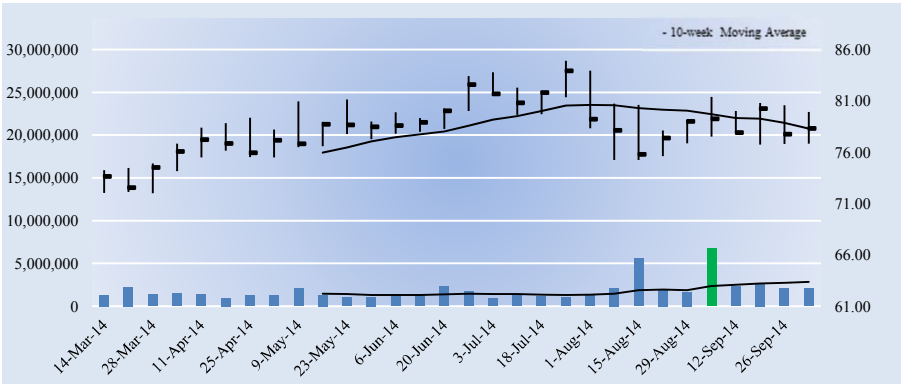
# Buckeye Partners BPL FAIRLY VALUED

**Buying Index™** 3 **Value Rating**

| Economic Castle | Stock Fair Value Range | Dividend Track Record | Dividend Safety / Cushion™ | Div Growth Potential | Dividend Yield |
|---|---|---|---|---|---|
| Attractive | $56.00 - $84.00 | HEALTHY | GOOD / 2 | GOOD | 5.68% |

**Buckeye has paid cash distributions since formation in 1986.**

## Stock Chart (weekly)




## Company Vitals

| | |
|---|---|
| Market Cap (USD) | $8,432 |
| Avg Weekly Vol (30 wks) | 1,881 |
| 30-week Range (USD) | 72 - 84.91 |
| Valuentum Sector | Energy |
| Last Fiscal Year Revenue | 5,054 |
| Last Fiscal Year EPS | 3.23 |
| Last Fiscal Year EBITDA | 622 |
| Forward Revenue Growth (5-yr) | 6.3% |
| Forward EPS Growth (5-yr) | 5.6% |

## Dividend Vitals

| | |
|---|---|
| Current Annual Dividend Yield % | 5.7% |
| Annual Dividends Per Share | 4.45 |
| Forward Dividend Payout Ratio | 135.2% |
| 3-yr Historical Dividend CAGR | 3.4% |
| 15-yr Historical Dividend CAGR | 4.9% |
| 3-yr Hist Median Div Payout Ratio | 14100.0% |
| 15-yr Hist Median Div Payout Ratio | 109.6% |

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

## Initial Annual Income Per Investment ($)

| # of Shares | Investment ($) | Annual Div's ($) |
|---|---|---|
| 25 | 1,957.75 | 111.25 |
| 50 | 3,915.50 | 222.50 |
| 100 | 7,831.00 | 445.00 |
| 200 | 15,662.00 | 890.00 |
| 300 | 23,493.00 | 1,335.00 |
| 400 | 31,324.00 | 1,780.00 |
| 500 | 39,155.00 | 2,225.00 |
| 1,000 | 78,310.00 | 4,450.00 |
| 2,000 | 156,620.00 | 8,900.00 |
| 5,000 | 391,550.00 | 22,250.00 |
| 10,000 | 783,100.00 | 44,500.00 |
| 50,000 | 3,915,500.00 | 222,500.00 |
| 100,000 | 7,831,000.00 | 445,000.00 |

Initial annual income is based on the firm's current forward annual dividend yield and could be subject to change.

## Dividend Safety / Cushion — GOOD / 2

We assess the safety of a firm's dividend by adding the company's net cash to our forecast of its free cash flows over the next five years. We then divide that sum by the total expected dividends over the next five years. This process results in our Dividend Cushion™ ratio. A Dividend Cushion™ above 1 indicates a firm can cover its future dividends with net cash on hand and future free cash flow, while a score below 1 signals trouble may be on the horizon. And by extension, the greater the score, the safer the dividend, as excess cash can be used to offset any unexpected earnings shortfall. Buckeye Partners scores a 2 on our Dividend Cushion™, which is GOOD.

## Dividend Growth Potential — GOOD

We judge the future potential growth of the dividend by evaluating the capacity for future increases, as measured by the Dividend Cushion™, and management's willingness to consistently raise the dividend, as measured by the firm's dividend track record. Buckeye Partners registers an GOOD rating on our scale, and we think the firm's annual dividend will be $5.21 per share within the next several years.

## Risk of Capital Loss — MEDIUM

We assess the risk of capital loss based on our analysis of a firm's intrinsic value at this point in time. If the stock is undervalued (based on our DCF process), we think the risk of failing to recoup one's original capital investment (ex dividends) is relatively LOW. If the stock is fairly valued (it falls within our fair value estimate range), we think the likelihood of losing capital (ex dividends) is MEDIUM. If the stock is trading above our estimate of its intrinsic value, we think the likelihood of losing at least a portion of one's original investment (ex dividends) is HIGH. Buckeye Partners registers a score of MEDIUM on our scale.

## Key Dividend Considerations

| | |
|---|---|
| Current Annual Dividend Yield | **5.68%** |
| Annual Dividends per Share | **$4.45** |
| Initial Annual Div's Paid, $10k Investment | **$568.25** |
| Dividend Track Record | **HEALTHY** |
| Dividend Safety | **GOOD** |
| Valuentum Dividend Cushion™ | **2.0** |
| Dividend Growth Potential | **GOOD** |
| Risk of Capital Loss | **MEDIUM** |
| ValueRisk™ (Equity Margin of Safety) | **LOW** |

The Valuentum Dividend Cushion is a ratio that compares the firm's excess cash and cash flow to its future dividend stream. A score above 1 indicates cash flow is sufficient to cover future dividends (higher is better).

## Dividend Strength

| Dividend Safety \ Dividend Growth | Very Poor | Poor | Good | Excellent |
|---|---|---|---|---|
| Excellent | | | | |
| Good | | | ■ | |
| Poor | | | | |
| Very Poor | | | | |

Firms that have safe and growing dividends score at the top right of our scale.

## Dividend Track Record — HEALTHY

| Fiscal Year | Div's/Share ($) | Div Growth % | EPS ($) | Payout Ratio |
|---|---|---|---|---|
| NA | 2.18 | 0.0 | 2.82 | 0.0% |
| Dec-00 | 2.40 | 10.1 | 2.38 | 100.8% |
| Dec-01 | 2.45 | 2.1 | 2.55 | 96.1% |
| Dec-02 | 2.50 | 2.0 | 2.64 | 94.7% |
| Dec-03 | 2.54 | 1.6 | 1.05 | 241.9% |
| Dec-04 | 2.64 | 3.9 | 2.75 | 96.0% |
| Dec-05 | 2.83 | 7.2 | 2.69 | 105.2% |
| Dec-06 | 3.03 | 7.1 | 2.64 | 114.8% |
| Dec-07 | 3.23 | 6.6 | 3.03 | 106.6% |
| Dec-08 | 3.43 | 6.2 | 3.13 | 109.6% |
| Dec-09 | 3.63 | 5.8 | 1.84 | 197.3% |
| Dec-10 | 3.83 | 5.5 | 1.65 | 232.1% |
| Dec-11 | 4.03 | 5.2 | 1.20 | 335.8% |
| Dec-12 | 4.15 | 3.0 | 0.02 | 20750.0% |
| Dec-13 | 4.23 | 1.9 | 0.03 | 14100.0% |
| ***Dec-14*** | ***4.45*** | ***5.2*** | ***3.29*** | ***135.2%*** |
| *Dec-15* | *4.63* | *4.0* | *3.86* | *120.0%* |
| *Dec-16* | *4.81* | *4.0* | *3.86* | *124.6%* |
| *Dec-17* | *5.01* | *4.0* | *3.99* | *125.4%* |
| *Dec-18* | *5.21* | *4.0* | *4.24* | *122.7%* |

Light green shading denotes a dividend increase, while light red shading denotes a dividend decrease. Heavy green shading denotes a significant dividend increase, while heavy red shading denotes a significant dividend decrease or an excessive payout ratio. NA = Not Applicable.

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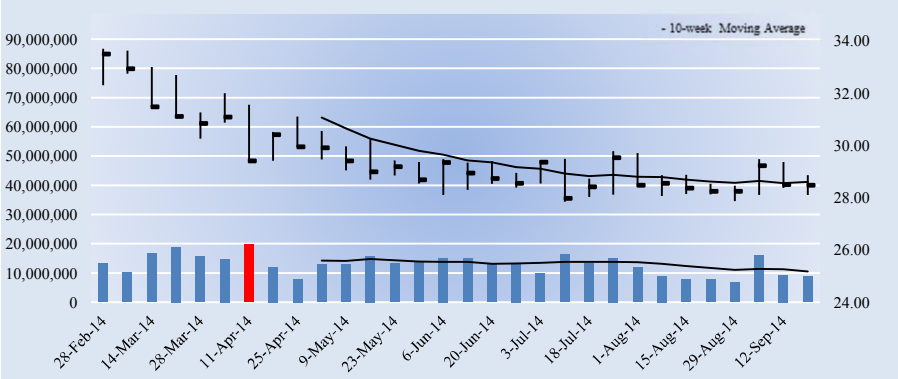
# CA Tech CA UNDERVALUED 5.3%

Buying Index™ 3 Value Rating ✓

| Economic Castle | Stock Fair Value Range | Dividend Track Record | Dividend Safety / Cushion™ | Div Growth Potential | Dividend Yield |
|---|---|---|---|---|---|
| Very Attractive | $30.00 - $44.00 | HEALTHY | EXCELLENT / 3 | EXCELLENT | 3.51% |

## CA Tech is a hidden dividend growth gem.

### Stock Chart (weekly)




### Company Vitals

| | |
|---|---|
| Market Cap (USD) | $12,759 |
| Avg Weekly Vol (30 wks) | 12,861 |
| 30-week Range (USD) | 27.84 - 33.7 |
| Valuentum Sector | Information Technology |
| Last Fiscal Year Revenue | 4,515 |
| Last Fiscal Year EPS | 2.01 |
| Last Fiscal Year EBITDA | 1,727 |
| Forward Revenue Growth (5-yr) | 0.7% |
| Forward EPS Growth (5-yr) | 8.5% |

### Dividend Vitals

| | |
|---|---|
| Current Annual Dividend Yield % | 3.5% |
| Annual Dividends Per Share | 1.00 |
| Forward Dividend Payout Ratio | 40.1% |
| 3-yr Historical Dividend CAGR | 35.7% |
| 15-yr Historical Dividend CAGR | 18.3% |
| 3-yr Hist Median Div Payout Ratio | 48.3% |
| 15-yr Hist Median Div Payout Ratio | 12.4% |

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

### Initial Annual Income Per Investment ($)

| # of Shares | Investment ($) | Annual Div's ($) |
|---|---|---|
| 25 | 712.00 | 25.00 |
| 50 | 1,424.00 | 50.00 |
| 100 | 2,848.00 | 100.00 |
| 200 | 5,696.00 | 200.00 |
| 300 | 8,544.00 | 300.00 |
| 400 | 11,392.00 | 400.00 |
| 500 | 14,240.00 | 500.00 |
| 1,000 | 28,480.00 | 1,000.00 |
| 2,000 | 56,960.00 | 2,000.00 |
| 5,000 | 142,400.00 | 5,000.00 |
| 10,000 | 284,800.00 | 10,000.00 |
| 50,000 | 1,424,000.00 | 50,000.00 |
| 100,000 | 2,848,000.00 | 100,000.00 |

Initial annual income is based on the firm's current forward annual dividend yield and could be subject to change.

### Dividend Safety / Cushion — EXCELLENT / 3

We assess the safety of a firm's dividend by adding the company's net cash to our forecast of its free cash flows over the next five years. We then divide that sum by the total expected dividends over the next five years. This process results in our Dividend Cushion™ ratio. A Dividend Cushion™ above 1 indicates a firm can cover its future dividends with net cash on hand and future free cash flow, while a score below 1 signals trouble may be on the horizon. And by extension, the greater the score, the safer the dividend, as excess cash can be used to offset any unexpected earnings shortfall. CA Tech scores a 3 on our Dividend Cushion™, which is EXCELLENT.

### Dividend Growth Potential — EXCELLENT

We judge the future potential growth of the dividend by evaluating the capacity for future increases, as measured by the Dividend Cushion™, and management's willingness to consistently raise the dividend, as measured by the firm's dividend track record. CA Tech registers an EXCELLENT rating on our scale, and we think the firm's annual dividend will be $1.53 per share within the next several years.

### Risk of Capital Loss — LOW

We assess the risk of capital loss based on our analysis of a firm's intrinsic value at this point in time. If the stock is undervalued (based on our DCF process), we think the risk of failing to recoup one's original capital investment (ex dividends) is relatively LOW. If the stock is fairly valued (it falls within our fair value estimate range), we think the likelihood of losing capital (ex dividends) is MEDIUM. If the stock is trading above our estimate of its intrinsic value, we think the likelihood of losing at least a portion of one's original investment (ex dividends) is HIGH. CA Tech registers a score of LOW on our scale.

### Key Dividend Considerations

| | |
|---|---|
| Current Annual Dividend Yield | **3.51%** |
| Annual Dividends per Share | **$1.00** |
| Initial Annual Div's Paid, $10k Investment | **$351.12** |
| Dividend Track Record | **HEALTHY** |
| Dividend Safety | **EXCELLENT** |
| Valuentum Dividend Cushion™ | **3.0** |
| Dividend Growth Potential | **EXCELLENT** |
| Risk of Capital Loss | **LOW** |
| ValueRisk™ (Equity Margin of Safety) | **LOW** |

The Valuentum Dividend Cushion is a ratio that compares the firm's excess cash and cash flow to its future dividend stream. A score above 1 indicates cash flow is sufficient to cover future dividends (higher is better).

### Dividend Strength

| Dividend Safety \ Dividend Growth | Very Poor | Poor | Good | Excellent |
|---|---|---|---|---|
| Excellent | | | | |
| Good | | | | |
| Poor | | | | |
| Very Poor | | | | |

Firms that have safe and growing dividends score at the top right of our scale.

### Dividend Track Record — HEALTHY

| Fiscal Year | Div's/Share ($) | Div Growth % | EPS ($) | Payout Ratio |
|---|---|---|---|---|
| NA | 0.08 | 0.0 | 1.25 | 0.0% |
| Mar-01 | 0.08 | 0.0 | -1.02 | -7.8% |
| Mar-02 | 0.08 | 0.0 | -1.91 | -4.2% |
| Mar-03 | 0.08 | 0.0 | -0.46 | -17.4% |
| Mar-04 | 0.08 | 0.0 | -0.06 | -133.3% |
| Mar-05 | 0.08 | 0.0 | 0.02 | 400.0% |
| Mar-06 | 0.16 | 100.0 | 0.26 | 61.5% |
| Mar-07 | 0.16 | 0.0 | 0.22 | 72.7% |
| Mar-08 | 0.16 | 0.0 | 0.93 | 17.2% |
| Mar-09 | 0.16 | 0.0 | 1.29 | 12.4% |
| Mar-10 | 0.16 | 0.0 | 1.47 | 10.9% |
| Mar-11 | 0.16 | 0.0 | 1.60 | 10.0% |
| Mar-12 | 0.40 | 150.0 | 1.90 | 21.1% |
| Mar-13 | 1.00 | 150.0 | 2.07 | 48.3% |
| Mar-14 | 1.00 | 0.0 | 1.99 | 50.3% |
| ***Mar-15*** | ***1.00*** | ***0.0*** | ***2.49*** | ***40.1%*** |
| *Mar-16* | *1.15* | *15.0* | *2.62* | *44.0%* |
| *Mar-17* | *1.29* | *12.0* | *2.75* | *46.9%* |
| *Mar-18* | *1.42* | *10.0* | *2.88* | *49.2%* |
| *Mar-19* | *1.53* | *8.0* | *3.02* | *50.6%* |

Light green shading denotes a dividend increase, while light red shading denotes a dividend decrease. Heavy green shading denotes a significant dividend increase, while heavy red shading denotes a significant dividend decrease or an excessive payout ratio. NA = Not Applicable.

To view our full 16-page equity report on CA Tech, please visit our website at www.valuentum.com



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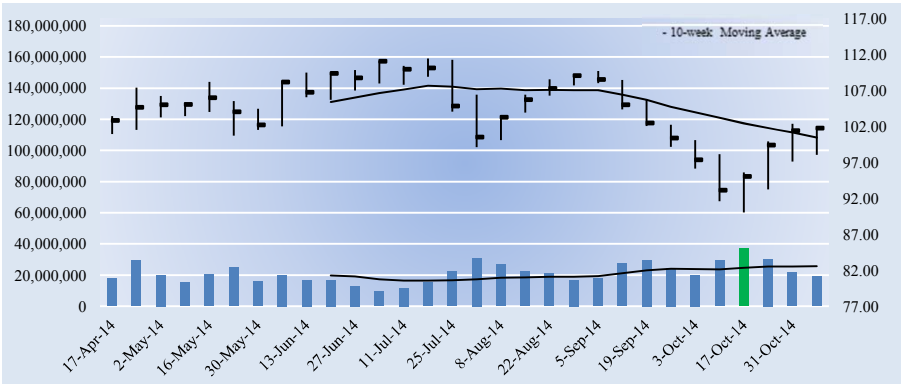
# Caterpillar CAT FAIRLY VALUED

**Buying Index™** 3 **Value Rating**

| Economic Castle | Stock Fair Value Range | Dividend Track Record | Dividend Safety / Cushion™ | Div Growth Potential | Dividend Yield |
|---|---|---|---|---|---|
| Attractive | $76.00 - $114.00 | HEALTHY | POOR / 1.1 | GOOD | 2.75% |

**The cyclicality of Cat's operations influences its Dividend Cushion score. The firm paid a special dividend in 2012.**

## Stock Chart (weekly)




## Key Dividend Considerations

| | |
|---|---|
| Current Annual Dividend Yield | **2.75%** |
| Annual Dividends per Share | **$2.80** |
| Initial Annual Div's Paid, $10k Investment | **$275.16** |
| Dividend Track Record | **HEALTHY** |
| Dividend Safety | **POOR** |
| Valuentum Dividend Cushion™ | **1.1** |
| Dividend Growth Potential | **GOOD** |
| Risk of Capital Loss | **MEDIUM** |
| ValueRisk™ (Equity Margin of Safety) | **LOW** |

The Valuentum Dividend Cushion is a ratio that compares the firm's excess cash and cash flow to its future dividend stream. A score above 1 indicates cash flow is sufficient to cover future dividends (higher is better).

## Dividend Strength

| Dividend Safety \ Dividend Growth | Very Poor | Poor | Good | Excellent |
|---|---|---|---|---|
| Excellent | | | | |
| Good | | | | |
| Poor | | | ■ | |
| Very Poor | | | | |

Firms that have safe and growing dividends score at the top right of our scale.

## Company Vitals

| | |
|---|---|
| Market Cap (USD) | $67,019 |
| Avg Weekly Vol (30 wks) | 21,442 |
| 30-week Range (USD) | 90.05 - 111.46 |
| Valuentum Sector | Industrials |
| Last Fiscal Year Revenue | 55,656 |
| Last Fiscal Year EPS | 5.75 |
| Last Fiscal Year EBITDA | 10,423 |
| Forward Revenue Growth (5-yr) | 1.9% |
| Forward EPS Growth (5-yr) | 6.7% |

## Dividend Vitals

| | |
|---|---|
| Current Annual Dividend Yield % | 2.8% |
| Annual Dividends Per Share | 2.80 |
| Forward Dividend Payout Ratio | 42.3% |
| 3-yr Historical Dividend CAGR | 15.9% |
| 15-yr Historical Dividend CAGR | 10.5% |
| 3-yr Hist Median Div Payout Ratio | 29.2% |
| 15-yr Hist Median Div Payout Ratio | 29.9% |

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

## Initial Annual Income Per Investment ($)

| # of Shares | Investment ($) | Annual Div's ($) |
|---|---|---|
| 25 | 2,544.00 | 70.00 |
| 50 | 5,088.00 | 140.00 |
| 100 | 10,176.00 | 280.00 |
| 200 | 20,352.00 | 560.00 |
| 300 | 30,528.00 | 840.00 |
| 400 | 40,704.00 | 1,120.00 |
| 500 | 50,880.00 | 1,400.00 |
| 1,000 | 101,760.00 | 2,800.00 |
| 2,000 | 203,520.00 | 5,600.00 |
| 5,000 | 508,800.00 | 14,000.00 |
| 10,000 | 1,017,600.00 | 28,000.00 |
| 50,000 | 5,088,000.00 | 140,000.00 |
| 100,000 | 10,176,000 | 280,000.00 |

Initial annual income is based on the firm's current forward annual dividend yield and could be subject to change.

## Dividend Safety / Cushion — POOR / 1.1

We assess the safety of a firm's dividend by adding the company's net cash to our forecast of its free cash flows over the next five years. We then divide that sum by the total expected dividends over the next five years. This process results in our Dividend Cushion™ ratio. A Dividend Cushion™ above 1 indicates a firm can cover its future dividends with net cash on hand and future free cash flow, while a score below 1 signals trouble may be on the horizon. And by extension, the greater the score, the safer the dividend, as excess cash can be used to offset any unexpected earnings shortfall. Caterpillar scores a 1.1 on our Dividend Cushion™, which is POOR.

## Dividend Growth Potential — GOOD

We judge the future potential growth of the dividend by evaluating the capacity for future increases, as measured by the Dividend Cushion™, and management's willingness to consistently raise the dividend, as measured by the firm's dividend track record. Caterpillar registers an GOOD rating on our scale, and we think the firm's annual dividend will be $4.02 per share within the next several years.

## Risk of Capital Loss — MEDIUM

We assess the risk of capital loss based on our analysis of a firm's intrinsic value at this point in time. If the stock is undervalued (based on our DCF process), we think the risk of failing to recoup one's original capital investment (ex dividends) is relatively LOW. If the stock is fairly valued (it falls within our fair value estimate range), we think the likelihood of losing capital (ex dividends) is MEDIUM. If the stock is trading above our estimate of its intrinsic value, we think the likelihood of losing at least a portion of one's original investment (ex dividends) is HIGH. Caterpillar registers a score of MEDIUM on our scale.

## Dividend Track Record — HEALTHY

| Fiscal Year | Div's/Share ($) | Div Growth % | EPS ($) | Payout Ratio |
|---|---|---|---|---|
| Dec-99 | 0.63 | 0.0 | 1.32 | 47.7% |
| Dec-00 | 0.67 | 6.3 | 1.51 | 44.4% |
| Dec-01 | 0.69 | 3.0 | 1.16 | 59.5% |
| Dec-02 | 0.70 | 1.4 | 1.15 | 60.9% |
| Dec-03 | 0.71 | 1.4 | 1.57 | 45.2% |
| Dec-04 | 0.78 | 9.9 | 2.88 | 27.1% |
| Dec-05 | 0.91 | 16.7 | 4.04 | 22.5% |
| Dec-06 | 1.10 | 20.9 | 5.17 | 21.3% |
| Dec-07 | 1.32 | 20.0 | 5.37 | 24.6% |
| Dec-08 | 1.56 | 18.2 | 5.66 | 27.6% |
| Dec-09 | 1.68 | 7.7 | 1.43 | 117.5% |
| Dec-10 | 1.72 | 2.4 | 4.15 | 41.4% |
| Dec-11 | 1.80 | 4.7 | 7.48 | 24.1% |
| Dec-12 | 2.48 | 37.8 | 8.48 | 29.2% |
| Dec-13 | 1.72 | -30.6 | 5.75 | 29.9% |
| ***Dec-14*** | ***2.80*** | ***62.8*** | ***6.63*** | ***42.3%*** |
| *Dec-15* | *3.14* | *12.0* | *7.09* | *44.2%* |
| *Dec-16* | *3.45* | *10.0* | *7.35* | *47.0%* |
| *Dec-17* | *3.73* | *8.0* | *7.63* | *48.8%* |
| *Dec-18* | *4.02* | *8.0* | *7.95* | *50.6%* |

Light green shading denotes a dividend increase, while light red shading denotes a dividend decrease. Heavy green shading denotes a significant dividend increase, while heavy red shading denotes a significant dividend decrease or an excessive payout ratio. NA = Not Applicable.

To view our full 16-page equity report on Caterpillar, please visit our website at www.valuentum.com



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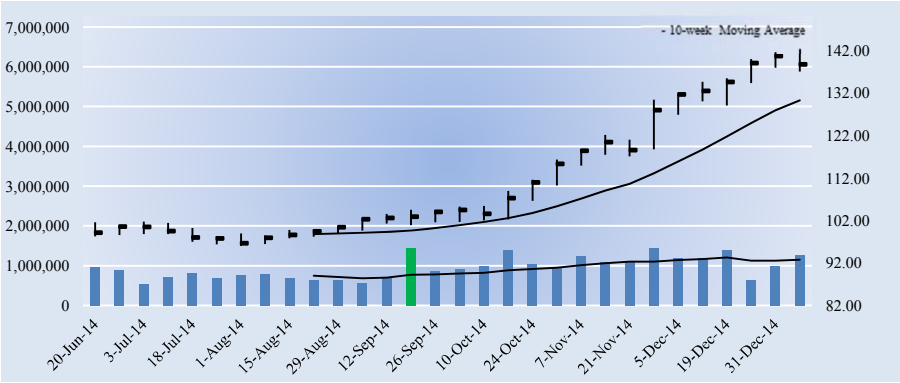
# Cracker Barrel CBRL FAIRLY VALUED

**Buying Index™** 6 **Value Rating**

| Economic Castle | Stock Fair Value Range | Dividend Track Record | Dividend Safety / Cushion™ | Div Growth Potential | Dividend Yield |
|---|---|---|---|---|---|
| Attractive | $104.00 - $156.00 | HEALTHY | GOOD / 1.4 | GOOD | 2.88% |

**Cracker Barrel has been raising its dividend in aggressive fashion as of late.**

## Stock Chart (weekly)




## Company Vitals

| | |
|---|---|
| Market Cap (USD) | $3,326 |
| Avg Weekly Vol (30 wks) | 952 |
| 30-week Range (USD) | 96.01 - 142.49 |
| Valuentum Sector | Consumer Discretionary |
| Last Fiscal Year Revenue | 2,684 |
| Last Fiscal Year EPS | 5.51 |
| Last Fiscal Year EBITDA | 277 |
| Forward Revenue Growth (5-yr) | 3.7% |
| Forward EPS Growth (5-yr) | 17.0% |

## Dividend Vitals

| | |
|---|---|
| Current Annual Dividend Yield % | 2.9% |
| Annual Dividends Per Share | 4.00 |
| Forward Dividend Payout Ratio | 64.7% |
| 3-yr Historical Dividend CAGR | 51.5% |
| 15-yr Historical Dividend CAGR | NA |
| 3-yr Hist Median Div Payout Ratio | 45.9% |
| 15-yr Hist Median Div Payout Ratio | 21.8% |

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

## Initial Annual Income Per Investment ($)

| # of Shares | Investment ($) | Annual Div's ($) |
|---|---|---|
| 25 | 3,469.25 | 100.00 |
| 50 | 6,938.50 | 200.00 |
| 100 | 13,877.00 | 400.00 |
| 200 | 27,754.00 | 800.00 |
| 300 | 41,631.00 | 1,200.00 |
| 400 | 55,508.00 | 1,600.00 |
| 500 | 69,385.00 | 2,000.00 |
| 1,000 | 138,770.00 | 4,000.00 |
| 2,000 | 277,540.00 | 8,000.00 |
| 5,000 | 693,850.00 | 20,000.00 |
| 10,000 | 1,387,700.00 | 40,000.00 |
| 50,000 | 6,938,500.00 | 200,000.00 |
| 100,000 | 13,877,000 | 400,000.00 |

Initial annual income is based on the firm's current forward annual dividend yield and could be subject to change.

## Dividend Safety / Cushion — GOOD / 1.4

We assess the safety of a firm's dividend by adding the company's net cash to our forecast of its free cash flows over the next five years. We then divide that sum by the total expected dividends over the next five years. This process results in our Dividend Cushion™ ratio. A Dividend Cushion™ above 1 indicates a firm can cover its future dividends with net cash on hand and future free cash flow, while a score below 1 signals trouble may be on the horizon. And by extension, the greater the score, the safer the dividend, as excess cash can be used to offset any unexpected earnings shortfall. Cracker Barrel scores a 1.4 on our Dividend Cushion, which is GOOD.

## Dividend Growth Potential — GOOD

We judge the future potential growth of the dividend by evaluating the capacity for future increases, as measured by the Dividend Cushion™, and management's willingness to consistently raise the dividend, as measured by the firm's dividend track record. Cracker Barrel registers an GOOD rating on our scale, and we think the firm's annual dividend will be $5.75 per share within the next several years.

## Risk of Capital Loss — MEDIUM

We assess the risk of capital loss based on our analysis of a firm's intrinsic value at this point in time. If the stock is undervalued (based on our DCF process), we think the risk of failing to recoup one's original capital investment (ex dividends) is relatively LOW. If the stock is fairly valued (it falls within our fair value estimate range), we think the likelihood of losing capital (ex dividends) is MEDIUM. If the stock is trading above our estimate of its intrinsic value, we think the likelihood of losing at least a portion of one's original investment (ex dividends) is HIGH. Cracker Barrel registers a score of MEDIUM on our scale.

## Key Dividend Considerations

| | |
|---|---|
| Current Annual Dividend Yield | **2.88%** |
| Annual Dividends per Share | **$4.00** |
| Initial Annual Div's Paid, $10k Investment | **$288.25** |
| Dividend Track Record | **HEALTHY** |
| Dividend Safety | **GOOD** |
| Valuentum Dividend Cushion™ | **1.4** |
| Dividend Growth Potential | **GOOD** |
| Risk of Capital Loss | **MEDIUM** |
| ValueRisk™ (Equity Margin of Safety) | **LOW** |

The Valuentum Dividend Cushion is a ratio that compares the firm's excess cash and cash flow to its future dividend stream. A score above 1 indicates cash flow is sufficient to cover future dividends (higher is better).

## Dividend Strength

| Dividend Safety \ Dividend Growth | Very Poor | Poor | Good | Excellent |
|---|---|---|---|---|
| Excellent | | | | |
| Good | | | ■ | |
| Poor | | | | |
| Very Poor | | | | |

Firms that have safe and growing dividends score at the top right of our scale.

## Dividend Track Record — HEALTHY

| Fiscal Year | Div's/Share ($) | Div Growth % | EPS ($) | Payout Ratio |
|---|---|---|---|---|
| Jul-00 | NA | 0.0 | 1.02 | 0.0% |
| Jul-01 | NA | 0.0 | 0.87 | 0.0% |
| Jul-02 | NA | 0.0 | 1.64 | 0.0% |
| Jul-03 | 0.02 | 0.0 | 2.09 | 1.0% |
| Jul-04 | 0.33 | 1550.0 | 2.25 | 14.7% |
| Jul-05 | 0.47 | 42.4 | 2.45 | 19.2% |
| Jul-06 | 0.51 | 8.5 | 2.50 | 20.4% |
| Jul-07 | 0.55 | 7.8 | 2.52 | 21.8% |
| Jul-08 | 0.68 | 23.6 | 2.79 | 24.4% |
| Jul-09 | 0.80 | 17.6 | 2.89 | 27.7% |
| Jul-10 | 0.80 | 0.0 | 3.62 | 22.1% |
| Jul-11 | 0.88 | 10.0 | 3.61 | 24.4% |
| Jul-12 | 1.15 | 30.7 | 4.40 | 26.1% |
| Jul-13 | 2.25 | 95.7 | 4.90 | 45.9% |
| Jul-14 | 3.25 | 44.4 | 5.51 | 59.0% |
| ***Jul-15*** | ***4.00*** | ***23.1*** | ***6.18*** | ***64.7%*** |
| *Jul-16* | *4.48* | *12.0* | *6.79* | *66.0%* |
| *Jul-17* | *4.93* | *10.0* | *8.44* | *58.4%* |
| *Jul-18* | *5.32* | *8.0* | *10.20* | *52.2%* |
| *Jul-19* | *5.75* | *8.0* | *12.07* | *47.6%* |

Light green shading denotes a dividend increase, while light red shading denotes a dividend decrease. Heavy green shading denotes a significant dividend increase, while heavy red shading denotes a significant dividend decrease or an excessive payout ratio. NA = Not Applicable.

To view our full 16-page equity report on Cracker Barrel, please visit our website at www.valuentum.com



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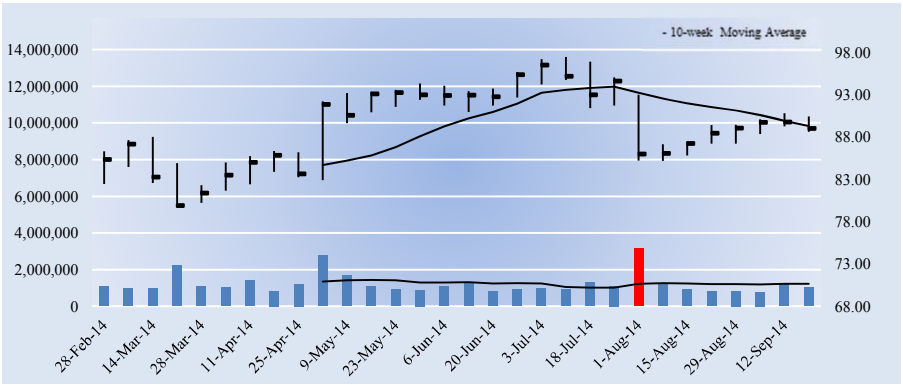
# Compass Minerals CMP FAIRLY VALUED

**Buying Index™** 3 **Value Rating**

| Economic Castle | Stock Fair Value Range | Dividend Track Record | Dividend Safety / Cushion™ | Div Growth Potential | Dividend Yield |
|---|---|---|---|---|---|
| Attractive | $68.00 - $102.00 | HEALTHY | GOOD / 1.2 | GOOD | 2.70% |

**Compass Minerals has a hefty dividend yield, but its Valuentum Dividend Cushion is near parity (1). We generally prefer a higher score.**

## Stock Chart (weekly)




## Key Dividend Considerations

| | |
|---|---|
| Current Annual Dividend Yield | **2.70%** |
| Annual Dividends per Share | **$2.40** |
| Initial Annual Div's Paid, $10k Investment | **$269.63** |
| Dividend Track Record | **HEALTHY** |
| Dividend Safety | **GOOD** |
| Valuentum Dividend Cushion™ | **1.2** |
| Dividend Growth Potential | **GOOD** |
| Risk of Capital Loss | **MEDIUM** |
| ValueRisk™ (Equity Margin of Safety) | **LOW** |

The Valuentum Dividend Cushion is a ratio that compares the firm's excess cash and cash flow to its future dividend stream. A score above 1 indicates cash flow is sufficient to cover future dividends (higher is better).

## Dividend Strength

| Dividend Safety \ Dividend Growth | Very Poor | Poor | Good | Excellent |
|---|---|---|---|---|
| Excellent | | | | |
| Good | | | ■ | |
| Poor | | | | |
| Very Poor | | | | |

Firms that have safe and growing dividends score at the top right of our scale.

## Company Vitals

| | |
|---|---|
| Market Cap (USD) | $2,975 |
| Avg Weekly Vol (30 wks) | 1,209 |
| 30-week Range (USD) | 79.89 - 97.5 |
| Valuentum Sector | Materials |
| Last Fiscal Year Revenue | 1,130 |
| Last Fiscal Year EPS | 3.91 |
| Last Fiscal Year EBITDA | 260 |
| Forward Revenue Growth (5-yr) | 6.3% |
| Forward EPS Growth (5-yr) | 12.1% |

## Dividend Vitals

| | |
|---|---|
| Current Annual Dividend Yield % | 2.7% |
| Annual Dividends Per Share | 2.40 |
| Forward Dividend Payout Ratio | 52.8% |
| 3-yr Historical Dividend CAGR | 10.1% |
| 15-yr Historical Dividend CAGR | NA |
| 3-yr Hist Median Div Payout Ratio | 55.8% |
| 15-yr Hist Median Div Payout Ratio | 28.9% |

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

## Initial Annual Income Per Investment ($)

| # of Shares | Investment ($) | Annual Div's ($) |
|---|---|---|
| 25 | 2,225.25 | 60.00 |
| 50 | 4,450.50 | 120.00 |
| 100 | 8,901.00 | 240.00 |
| 200 | 17,802.00 | 480.00 |
| 300 | 26,703.00 | 720.00 |
| 400 | 35,604.00 | 960.00 |
| 500 | 44,505.00 | 1,200.00 |
| 1,000 | 89,010.00 | 2,400.00 |
| 2,000 | 178,020.00 | 4,800.00 |
| 5,000 | 445,050.00 | 12,000.00 |
| 10,000 | 890,100.00 | 24,000.00 |
| 50,000 | 4,450,500.00 | 120,000.00 |
| 100,000 | 8,901,000.00 | 240,000.00 |

Initial annual income is based on the firm's current forward annual dividend yield and could be subject to change.

## Dividend Safety / Cushion — GOOD / 1.2

We assess the safety of a firm's dividend by adding the company's net cash to our forecast of its free cash flows over the next five years. We then divide that sum by the total expected dividends over the next five years. This process results in our Dividend Cushion™ ratio. A Dividend Cushion™ above 1 indicates a firm can cover its future dividends with net cash on hand and future free cash flow, while a score below 1 signals trouble may be on the horizon. And by extension, the greater the score, the safer the dividend, as excess cash can be used to offset any unexpected earnings shortfall. Compass Minerals scores a 1.2 on our Dividend Cushion™, which is GOOD.

## Dividend Growth Potential — GOOD

We judge the future potential growth of the dividend by evaluating the capacity for future increases, as measured by the Dividend Cushion™, and management's willingness to consistently raise the dividend, as measured by the firm's dividend track record. Compass Minerals registers an GOOD rating on our scale, and we think the firm's annual dividend will be $3.09 per share within the next several years.

## Risk of Capital Loss — MEDIUM

We assess the risk of capital loss based on our analysis of a firm's intrinsic value at this point in time. If the stock is undervalued (based on our DCF process), we think the risk of failing to recoup one's original capital investment (ex dividends) is relatively LOW. If the stock is fairly valued (it falls within our fair value estimate range), we think the likelihood of losing capital (ex dividends) is MEDIUM. If the stock is trading above our estimate of its intrinsic value, we think the likelihood of losing at least a portion of one's original investment (ex dividends) is HIGH. Compass Minerals registers a score of MEDIUM on our scale.

## Dividend Track Record — HEALTHY

| Fiscal Year | Div's/Share ($) | Div Growth % | EPS ($) | Payout Ratio |
|---|---|---|---|---|
| NA | 0.00 | 0.0 | 0.00 | 0.0% |
| NA | 0.00 | 0.0 | 0.00 | 0.0% |
| NA | 0.00 | 0.0 | 0.00 | 0.0% |
| NA | 0.00 | 0.0 | 0.23 | 0.0% |
| NA | 0.00 | 0.0 | 1.01 | 0.0% |
| Dec-04 | 0.94 | 0.0 | 1.57 | 0.0% |
| Dec-05 | 1.10 | 17.0 | 0.84 | 131.0% |
| Dec-06 | 1.22 | 10.9 | 1.69 | 72.2% |
| Dec-07 | 1.28 | 4.9 | 2.43 | 52.7% |
| Dec-08 | 1.34 | 4.7 | 4.81 | 27.9% |
| Dec-09 | 1.42 | 6.0 | 4.92 | 28.9% |
| Dec-10 | 1.56 | 9.9 | 4.51 | 34.6% |
| Dec-11 | 1.80 | 15.4 | 4.52 | 39.8% |
| Dec-12 | 1.98 | 10.0 | 2.68 | 73.9% |
| Dec-13 | 2.18 | 10.1 | 3.91 | 55.8% |
| ***Dec-14*** | ***2.40*** | ***10.1*** | ***4.55*** | ***52.8%*** |
| *Dec-15* | *2.59* | *8.0* | *5.65* | *45.9%* |
| *Dec-16* | *2.77* | *7.0* | *6.06* | *45.7%* |
| *Dec-17* | *2.94* | *6.0* | *6.50* | *45.3%* |
| *Dec-18* | *3.09* | *5.0* | *6.94* | *44.5%* |

Light green shading denotes a dividend increase, while light red shading denotes a dividend decrease. Heavy green shading denotes a significant dividend increase, while heavy red shading denotes a significant dividend decrease or an excessive payout ratio. NA = Not Applicable.

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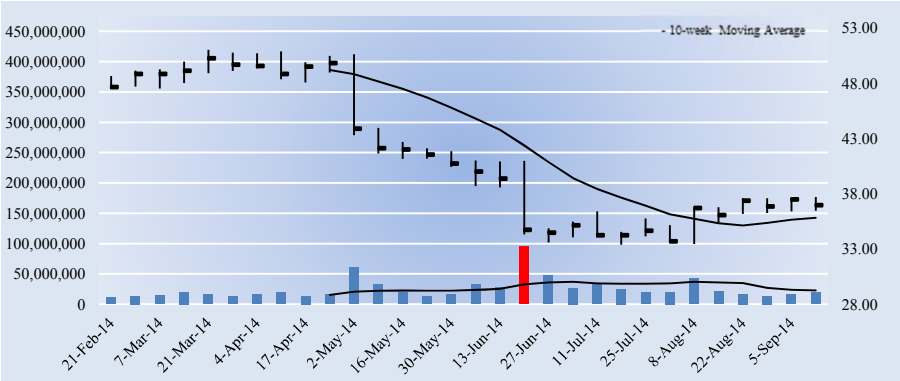
# Coach COH UNDERVALUED 5.5%

Buying Index™ 9 Value Rating ✓

| Economic Castle | Stock Fair Value Range | Dividend Track Record | Dividend Safety / Cushion™ | Div Growth Potential | Dividend Yield |
|---|---|---|---|---|---|
| Very Attractive | $39.00 - $59.00 | HEALTHY | GOOD / 1.9 | EXCELLENT | 3.65% |

## Coach's dividend looks solid.

### Stock Chart (weekly)




### Company Vitals

| | |
|---|---|
| Market Cap (USD) | $10,363 |
| Avg Weekly Vol (30 wks) | 25,163 |
| 30-week Range (USD) | 33.38 - 51 |
| Valuentum Sector | Consumer Discretionary |
| Last Fiscal Year Revenue | 4,806 |
| Last Fiscal Year EPS | 2.79 |
| Last Fiscal Year EBITDA | 1,283 |
| Forward Revenue Growth (5-yr) | 2.9% |
| Forward EPS Growth (5-yr) | 6.7% |

### Dividend Vitals

| | |
|---|---|
| Current Annual Dividend Yield % | 3.7% |
| Annual Dividends Per Share | 1.35 |
| Forward Dividend Payout Ratio | 70.7% |
| 3-yr Historical Dividend CAGR | 11.3% |
| 15-yr Historical Dividend CAGR | NA |
| 3-yr Hist Median Div Payout Ratio | 34.3% |
| 15-yr Hist Median Div Payout Ratio | 0.0% |

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

### Initial Annual Income Per Investment ($)

| # of Shares | Investment ($) | Annual Div's ($) |
|---|---|---|
| 25 | 924.00 | 33.75 |
| 50 | 1,848.00 | 67.50 |
| 100 | 3,696.00 | 135.00 |
| 200 | 7,392.00 | 270.00 |
| 300 | 11,088.00 | 405.00 |
| 400 | 14,784.00 | 540.00 |
| 500 | 18,480.00 | 675.00 |
| 1,000 | 36,960.00 | 1,350.00 |
| 2,000 | 73,920.00 | 2,700.00 |
| 5,000 | 184,800.00 | 6,750.00 |
| 10,000 | 369,600.00 | 13,500.00 |
| 50,000 | 1,848,000.00 | 67,500.00 |
| 100,000 | 3,696,000.00 | 135,000.00 |

Initial annual income is based on the firm's current forward annual dividend yield and could be subject to change.

### Dividend Safety / Cushion — GOOD / 1.9

We assess the safety of a firm's dividend by adding the company's net cash to our forecast of its free cash flows over the next five years. We then divide that sum by the total expected dividends over the next five years. This process results in our Dividend Cushion™ ratio. A Dividend Cushion™ above 1 indicates a firm can cover its future dividends with net cash on hand and future free cash flow, while a score below 1 signals trouble may be on the horizon. And by extension, the greater the score, the safer the dividend, as excess cash can be used to offset any unexpected earnings shortfall. Coach scores a 1.9 on our Dividend Cushion™, which is GOOD.

### Dividend Growth Potential — EXCELLENT

We judge the future potential growth of the dividend by evaluating the capacity for future increases, as measured by the Dividend Cushion™, and management's willingness to consistently raise the dividend, as measured by the firm's dividend track record. Coach registers an EXCELLENT rating on our scale, and we think the firm's annual dividend will be $2.14 per share within the next several years.

### Risk of Capital Loss — LOW

We assess the risk of capital loss based on our analysis of a firm's intrinsic value at this point in time. If the stock is undervalued (based on our DCF process), we think the risk of failing to recoup one's original capital investment (ex dividends) is relatively LOW. If the stock is fairly valued (it falls within our fair value estimate range), we think the likelihood of losing capital (ex dividends) is MEDIUM. If the stock is trading above our estimate of its intrinsic value, we think the likelihood of losing at least a portion of one's original investment (ex dividends) is HIGH. Coach registers a score of LOW on our scale.

### Key Dividend Considerations

| | |
|---|---|
| Current Annual Dividend Yield | **3.65%** |
| Annual Dividends per Share | **$1.35** |
| Initial Annual Div's Paid, $10k Investment | **$365.26** |
| Dividend Track Record | **HEALTHY** |
| Dividend Safety | **GOOD** |
| Valuentum Dividend Cushion™ | **1.9** |
| Dividend Growth Potential | **EXCELLENT** |
| Risk of Capital Loss | **LOW** |
| ValueRisk™ (Equity Margin of Safety) | **LOW** |

The Valuentum Dividend Cushion is a ratio that compares the firm's excess cash and cash flow to its future dividend stream. A score above 1 indicates cash flow is sufficient to cover future dividends (higher is better).

### Dividend Strength

| Dividend Safety \ Dividend Growth | Very Poor | Poor | Good | Excellent |
|---|---|---|---|---|
| Excellent | | | | |
| Good | | | | ■ |
| Poor | | | | |
| Very Poor | | | | |

Firms that have safe and growing dividends score at the top right of our scale.

### Dividend Track Record — HEALTHY

| Fiscal Year | Div's/Share ($) | Div Growth % | EPS ($) | Payout Ratio |
|---|---|---|---|---|
| NA | 0.00 | 0.0 | 0.11 | 0.0% |
| NA | 0.00 | 0.0 | 0.19 | 0.0% |
| NA | 0.00 | 0.0 | 0.24 | 0.0% |
| Jun-03 | 0.00 | 0.0 | 0.40 | 0.0% |
| Jun-04 | 0.00 | 0.0 | 0.68 | 0.0% |
| Jun-05 | 0.00 | 0.0 | 1.00 | 0.0% |
| Jun-06 | 0.00 | 0.0 | 1.27 | 0.0% |
| Jun-07 | 0.00 | 0.0 | 1.69 | 0.0% |
| Jun-08 | 0.00 | 0.0 | 2.17 | 0.0% |
| Jun-09 | 0.08 | 0.0 | 1.91 | 4.2% |
| Jun-10 | 0.38 | 375.0 | 2.33 | 16.3% |
| Jun-11 | 0.68 | 78.9 | 2.92 | 23.3% |
| Jun-12 | 0.98 | 44.1 | 3.53 | 27.8% |
| Jun-13 | 1.24 | 26.5 | 3.61 | 34.3% |
| Jun-14 | 1.35 | 8.9 | 2.79 | 48.4% |
| ***Jun-15*** | ***1.35*** | ***0.0*** | ***1.91*** | ***70.7%*** |
| *Jun-16* | *1.55* | *15.0* | *2.11* | *73.5%* |
| *Jun-17* | *1.74* | *12.0* | *2.61* | *66.5%* |
| *Jun-18* | *1.95* | *12.0* | *3.19* | *61.1%* |
| *Jun-19* | *2.14* | *10.0* | *3.85* | *55.7%* |

Light green shading denotes a dividend increase, while light red shading denotes a dividend decrease. Heavy green shading denotes a significant dividend increase, while heavy red shading denotes a significant dividend decrease or an excessive payout ratio. NA = Not Applicable.

To view our full 16-page equity report on Coach, please visit our website at www.valuentum.com



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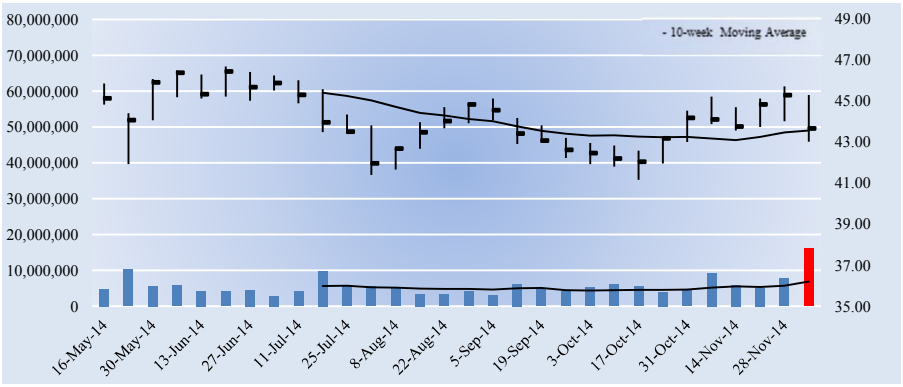
# Campbell Soup CPB FAIRLY VALUED

**Buying Index™** 7 **Value Rating**

| Economic Castle | Stock Fair Value Range | Dividend Track Record | Dividend Safety / Cushion™ | Div Growth Potential | Dividend Yield |
|---|---|---|---|---|---|
| Attractive | $36.00 - $54.00 | HEALTHY | GOOD / 1.3 | GOOD | 2.86% |

## Campbell Soup's dividend has many years of growth ahead of it.

### Stock Chart (weekly)




### Key Dividend Considerations

| | |
|---|---|
| Current Annual Dividend Yield | **2.86%** |
| Annual Dividends per Share | **$1.25** |
| Initial Annual Div's Paid, $10k Investment | **$286.37** |
| Dividend Track Record | **HEALTHY** |
| Dividend Safety | **GOOD** |
| Valuentum Dividend Cushion™ | **1.3** |
| Dividend Growth Potential | **GOOD** |
| Risk of Capital Loss | **MEDIUM** |
| ValueRisk™ (Equity Margin of Safety) | **LOW** |

The Valuentum Dividend Cushion is a ratio that compares the firm's excess cash and cash flow to its future dividend stream. A score above 1 indicates cash flow is sufficient to cover future dividends (higher is better).

### Dividend Strength

| Dividend Safety \ Dividend Growth | Very Poor | Poor | Good | Excellent |
|---|---|---|---|---|
| Excellent | | | | |
| Good | | | ■ | |
| Poor | | | | |
| Very Poor | | | | |

Firms that have safe and growing dividends score at the top right of our scale.

### Company Vitals

| | |
|---|---|
| Market Cap (USD) | $13,793 |
| Avg Weekly Vol (30 wks) | 5,668 |
| 30-week Range (USD) | 41.15 - 46.67 |
| Valuentum Sector | Consumer Staples |
| Last Fiscal Year Revenue | 8,268 |
| Last Fiscal Year EPS | 2.33 |
| Last Fiscal Year EBITDA | 1,556 |
| Forward Revenue Growth (5-yr) | 2.0% |
| Forward EPS Growth (5-yr) | 8.8% |

### Dividend Vitals

| | |
|---|---|
| Current Annual Dividend Yield % | 2.9% |
| Annual Dividends Per Share | 1.25 |
| Forward Dividend Payout Ratio | 50.3% |
| 3-yr Historical Dividend CAGR | 2.5% |
| 15-yr Historical Dividend CAGR | NA |
| 3-yr Hist Median Div Payout Ratio | 53.5% |
| 15-yr Hist Median Div Payout Ratio | 0.0% |

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

### Initial Annual Income Per Investment ($)

| # of Shares | Investment ($) | Annual Div's ($) |
|---|---|---|
| 25 | 1,091.25 | 31.25 |
| 50 | 2,182.50 | 62.50 |
| 100 | 4,365.00 | 125.00 |
| 200 | 8,730.00 | 250.00 |
| 300 | 13,095.00 | 375.00 |
| 400 | 17,460.00 | 500.00 |
| 500 | 21,825.00 | 625.00 |
| 1,000 | 43,650.00 | 1,250.00 |
| 2,000 | 87,300.00 | 2,500.00 |
| 5,000 | 218,250.00 | 6,250.00 |
| 10,000 | 436,500.00 | 12,500.00 |
| 50,000 | 2,182,500.00 | 62,500.00 |
| 100,000 | 4,365,000.00 | 125,000.00 |

Initial annual income is based on the firm's current forward annual dividend yield and could be subject to change.

### Dividend Safety / Cushion — GOOD / 1.3

We assess the safety of a firm's dividend by adding the company's net cash to our forecast of its free cash flows over the next five years. We then divide that sum by the total expected dividends over the next five years. This process results in our Dividend Cushion™ ratio. A Dividend Cushion™ above 1 indicates a firm can cover its future dividends with net cash on hand and future free cash flow, while a score below 1 signals trouble may be on the horizon. And by extension, the greater the score, the safer the dividend, as excess cash can be used to offset any unexpected earnings shortfall. Campbell Soup scores a 1.3 on our Dividend Cushion™, which is GOOD.

### Dividend Growth Potential — GOOD

We judge the future potential growth of the dividend by evaluating the capacity for future increases, as measured by the Dividend Cushion™, and management's willingness to consistently raise the dividend, as measured by the firm's dividend track record. Campbell Soup registers an GOOD rating on our scale, and we think the firm's annual dividend will be $1.52 per share within the next several years.

### Risk of Capital Loss — MEDIUM

We assess the risk of capital loss based on our analysis of a firm's intrinsic value at this point in time. If the stock is undervalued (based on our DCF process), we think the risk of failing to recoup one's original capital investment (ex dividends) is relatively LOW. If the stock is fairly valued (it falls within our fair value estimate range), we think the likelihood of losing capital (ex dividends) is MEDIUM. If the stock is trading above our estimate of its intrinsic value, we think the likelihood of losing at least a portion of one's original investment (ex dividends) is HIGH. Campbell Soup registers a score of MEDIUM on our scale.

### Dividend Track Record — HEALTHY

| Fiscal Year | Div's/Share ($) | Div Growth % | EPS ($) | Payout Ratio |
|---|---|---|---|---|
| Jul-00 | NA | 0.0 | 1.65 | 0.0% |
| Jul-01 | NA | 0.0 | 1.55 | 0.0% |
| Jul-02 | NA | 0.0 | 1.28 | 0.0% |
| Jul-03 | NA | 0.0 | 1.52 | 0.0% |
| Jul-04 | NA | 0.0 | 1.57 | 0.0% |
| Jul-05 | NA | 0.0 | 1.71 | 0.0% |
| Jul-06 | NA | 0.0 | 1.82 | 0.0% |
| Jul-07 | NA | 0.0 | 2.08 | 0.0% |
| Jul-08 | NA | 0.0 | 1.76 | 0.0% |
| Jul-09 | NA | 0.0 | 2.04 | 0.0% |
| Jul-10 | 1.08 | 0.0 | 2.42 | 44.6% |
| Jul-11 | 1.15 | 6.5 | 2.42 | 47.5% |
| Jul-12 | 1.16 | 0.9 | 2.43 | 47.7% |
| Jul-13 | 1.16 | 0.0 | 2.17 | 53.5% |
| Jul-14 | 1.25 | 7.8 | 2.33 | 53.6% |
| ***Jul-15*** | ***1.25*** | ***0.0*** | ***2.48*** | ***50.3%*** |
| *Jul-16* | *1.31* | *5.0* | *2.62* | *50.2%* |
| *Jul-17* | *1.38* | *5.0* | *2.91* | *47.4%* |
| *Jul-18* | *1.45* | *5.0* | *3.22* | *45.0%* |
| *Jul-19* | *1.52* | *5.0* | *3.56* | *42.7%* |

Light green shading denotes a dividend increase, while light red shading denotes a dividend decrease. Heavy green shading denotes a significant dividend increase, while heavy red shading denotes a significant dividend decrease or an excessive payout ratio. NA = Not Applicable.

To view our full 16-page equity report on Campbell Soup, please visit our website at www.valuentum.com



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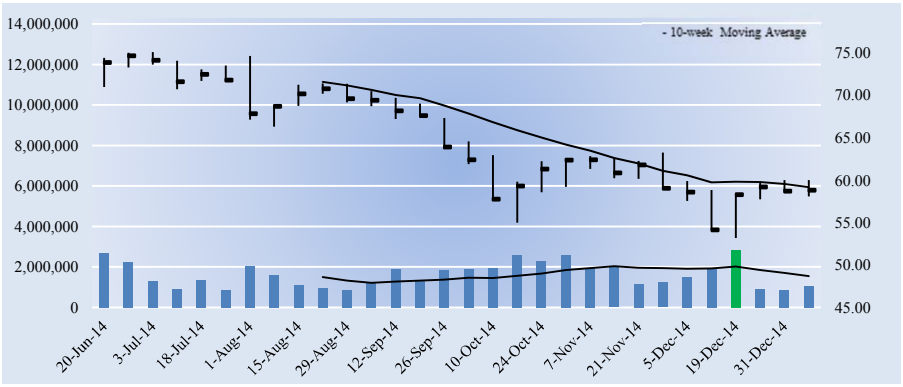
# Crane Co CR FAIRLY VALUED

**Buying Index™** 3 **Value Rating**

| Economic Castle | Stock Fair Value Range | Dividend Track Record | Dividend Safety / Cushion™ | Div Growth Potential | Dividend Yield |
|---|---|---|---|---|---|
| Attractive | $52.00 - $78.00 | HEALTHY | GOOD / 2.4 | EXCELLENT | 2.24% |

## We're expecting strong growth in Crane's dividend in coming years.

### Stock Chart (weekly)




### Key Dividend Considerations

| | |
|---|---|
| Current Annual Dividend Yield | **2.24%** |
| Annual Dividends per Share | **$1.32** |
| Initial Annual Div's Paid, $10k Investment | **$224.45** |
| Dividend Track Record | **HEALTHY** |
| Dividend Safety | **GOOD** |
| Valuentum Dividend Cushion™ | **2.4** |
| Dividend Growth Potential | **EXCELLENT** |
| Risk of Capital Loss | **MEDIUM** |
| ValueRisk™ (Equity Margin of Safety) | **LOW** |

The Valuentum Dividend Cushion is a ratio that compares the firm's excess cash and cash flow to its future dividend stream. A score above 1 indicates cash flow is sufficient to cover future dividends (higher is better).

### Dividend Strength

| Dividend Safety \ Dividend Growth | Very Poor | Poor | Good | Excellent |
|---|---|---|---|---|
| Excellent | | | | |
| Good | | | | |
| Poor | | | | |
| Very Poor | | | | |

Firms that have safe and growing dividends score at the top right of our scale.

### Company Vitals

| | |
|---|---|
| Market Cap (USD) | $3,460 |
| Avg Weekly Vol (30 wks) | 1,633 |
| 30-week Range (USD) | 53.18 - 75.06 |
| Valuentum Sector | Industrials |
| Last Fiscal Year Revenue | 2,595 |
| Last Fiscal Year EPS | 3.73 |
| Last Fiscal Year EBITDA | 403 |
| Forward Revenue Growth (5-yr) | 5.4% |
| Forward EPS Growth (5-yr) | 9.6% |

### Dividend Vitals

| | |
|---|---|
| Current Annual Dividend Yield % | 2.2% |
| Annual Dividends Per Share | 1.32 |
| Forward Dividend Payout Ratio | 29.3% |
| 3-yr Historical Dividend CAGR | 10.4% |
| 15-yr Historical Dividend CAGR | 8.3% |
| 3-yr Hist Median Div Payout Ratio | 32.2% |
| 15-yr Hist Median Div Payout Ratio | 27.2% |

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

### Initial Annual Income Per Investment ($)

| # of Shares | Investment ($) | Annual Div's ($) |
|---|---|---|
| 25 | 1,470.25 | 33.00 |
| 50 | 2,940.50 | 66.00 |
| 100 | 5,881.00 | 132.00 |
| 200 | 11,762.00 | 264.00 |
| 300 | 17,643.00 | 396.00 |
| 400 | 23,524.00 | 528.00 |
| 500 | 29,405.00 | 660.00 |
| 1,000 | 58,810.00 | 1,320.00 |
| 2,000 | 117,620.00 | 2,640.00 |
| 5,000 | 294,050.00 | 6,600.00 |
| 10,000 | 588,100.00 | 13,200.00 |
| 50,000 | 2,940,500.00 | 66,000.00 |
| 100,000 | 5,881,000.00 | 132,000.00 |

Initial annual income is based on the firm's current forward annual dividend yield and could be subject to change.

### Dividend Safety / Cushion — GOOD / 2.4

We assess the safety of a firm's dividend by adding the company's net cash to our forecast of its free cash flows over the next five years. We then divide that sum by the total expected dividends over the next five years. This process results in our Dividend Cushion™ ratio. A Dividend Cushion™ above 1 indicates a firm can cover its future dividends with net cash on hand and future free cash flow, while a score below 1 signals trouble may be on the horizon. And by extension, the greater the score, the safer the dividend, as excess cash can be used to offset any unexpected earnings shortfall. Crane Co scores a 2.4 on our Dividend Cushion™, which is GOOD.

### Dividend Growth Potential — EXCELLENT

We judge the future potential growth of the dividend by evaluating the capacity for future increases, as measured by the Dividend Cushion™, and management's willingness to consistently raise the dividend, as measured by the firm's dividend track record. Crane Co registers an EXCELLENT rating on our scale, and we think the firm's annual dividend will be $1.67 per share within the next several years.

### Risk of Capital Loss — MEDIUM

We assess the risk of capital loss based on our analysis of a firm's intrinsic value at this point in time. If the stock is undervalued (based on our DCF process), we think the risk of failing to recoup one's original capital investment (ex dividends) is relatively LOW. If the stock is fairly valued (it falls within our fair value estimate range), we think the likelihood of losing capital (ex dividends) is MEDIUM. If the stock is trading above our estimate of its intrinsic value, we think the likelihood of losing at least a portion of one's original investment (ex dividends) is HIGH. Crane Co registers a score of MEDIUM on our scale.

### Dividend Track Record — HEALTHY

| Fiscal Year | Div's/Share ($) | Div Growth % | EPS ($) | Payout Ratio |
|---|---|---|---|---|
| Dec-99 | 0.40 | 0.0 | 1.50 | 26.7% |
| Dec-00 | 0.40 | 0.0 | 2.02 | 19.8% |
| Dec-01 | 0.40 | 0.0 | 1.47 | 27.2% |
| Dec-02 | 0.40 | 0.0 | 0.28 | 142.9% |
| Dec-03 | 0.40 | 0.0 | 1.75 | 22.9% |
| Dec-04 | 0.40 | 0.0 | -1.78 | -22.5% |
| Dec-05 | 0.45 | 12.5 | 2.25 | 20.0% |
| Dec-06 | 0.55 | 22.2 | 2.67 | 20.6% |
| Dec-07 | 0.66 | 20.0 | -1.04 | -63.5% |
| Dec-08 | 0.76 | 15.2 | 2.24 | 33.9% |
| Dec-09 | 0.80 | 5.3 | 2.28 | 35.1% |
| Dec-10 | 0.86 | 7.5 | 2.59 | 33.2% |
| Dec-11 | 0.98 | 14.0 | 0.44 | 222.7% |
| Dec-12 | 1.08 | 10.2 | 3.35 | 32.2% |
| Dec-13 | 1.16 | 7.4 | 3.73 | 31.1% |
| ***Dec-14*** | ***1.32*** | ***13.8*** | ***4.50*** | ***29.3%*** |
| *Dec-15* | *1.37* | *4.0* | *4.93* | *27.9%* |
| *Dec-16* | *1.45* | *5.5* | *5.26* | *27.5%* |
| *Dec-17* | *1.55* | *7.0* | *5.59* | *27.7%* |
| *Dec-18* | *1.67* | *8.0* | *5.91* | *28.3%* |

Light green shading denotes a dividend increase, while light red shading denotes a dividend decrease. Heavy green shading denotes a significant dividend increase, while heavy red shading denotes a significant dividend decrease or an excessive payout ratio. NA = Not Applicable.

To view our full 16-page equity report on Crane Co, please visit our website at www.valuentum.com



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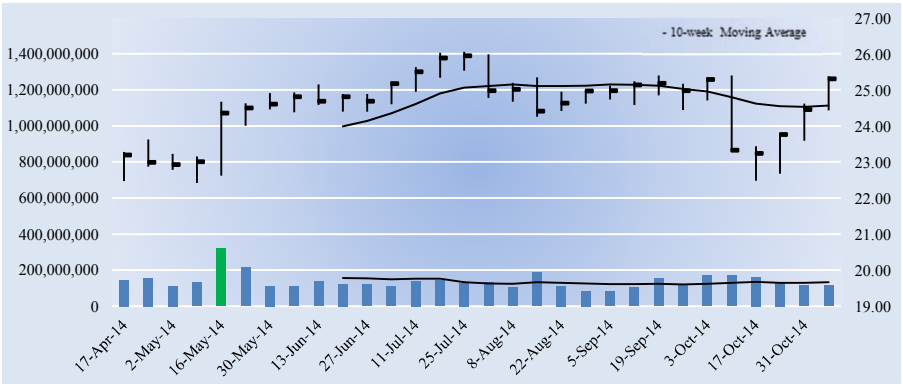
# Cisco CSCO UNDERVALUED 2.6%

**Buying Index™** 9 **Value Rating** ✓

| Economic Castle | Stock Fair Value Range | Dividend Track Record | Dividend Safety / Cushion™ | Div Growth Potential | Dividend Yield |
|---|---|---|---|---|---|
| Very Attractive | $26.00 - $40.00 | HEALTHY | EXCELLENT / 3.4 | EXCELLENT | 3.00% |

## We're big fans of Cisco's dividend growth prospects.

### Stock Chart (weekly)




### Company Vitals

| | |
|---|---|
| Market Cap (USD) | $133,768 |
| Avg Weekly Vol (30 wks) | 138,583 |
| 30-week Range (USD) | 22.43 - 26.08 |
| Valuentum Sector | Information Technology |
| Last Fiscal Year Revenue | 47,142 |
| Last Fiscal Year EPS | 1.49 |
| Last Fiscal Year EBITDA | 12,195 |
| Forward Revenue Growth (5-yr) | 3.4% |
| Forward EPS Growth (5-yr) | 10.5% |

### Dividend Vitals

| | |
|---|---|
| Current Annual Dividend Yield % | 3.0% |
| Annual Dividends Per Share | 0.76 |
| Forward Dividend Payout Ratio | 34.8% |
| 3-yr Historical Dividend CAGR | INF |
| 15-yr Historical Dividend CAGR | NA |
| 3-yr Hist Median Div Payout Ratio | 33.3% |
| 15-yr Hist Median Div Payout Ratio | 0.0% |

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

### Initial Annual Income Per Investment ($)

| # of Shares | Investment ($) | Annual Div's ($) |
|---|---|---|
| 25 | 633.25 | 19.00 |
| 50 | 1,266.50 | 38.00 |
| 100 | 2,533.00 | 76.00 |
| 200 | 5,066.00 | 152.00 |
| 300 | 7,599.00 | 228.00 |
| 400 | 10,132.00 | 304.00 |
| 500 | 12,665.00 | 380.00 |
| 1,000 | 25,330.00 | 760.00 |
| 2,000 | 50,660.00 | 1,520.00 |
| 5,000 | 126,650.00 | 3,800.00 |
| 10,000 | 253,300.00 | 7,600.00 |
| 50,000 | 1,266,500.00 | 38,000.00 |
| 100,000 | 2,533,000.00 | 76,000.00 |

Initial annual income is based on the firm's current forward annual dividend yield and could be subject to change.

### Dividend Safety / Cushion — EXCELLENT / 3.4

We assess the safety of a firm's dividend by adding the company's net cash to our forecast of its free cash flows over the next five years. We then divide that sum by the total expected dividends over the next five years. This process results in our Dividend Cushion™ ratio. A Dividend Cushion™ above 1 indicates a firm can cover its future dividends with net cash on hand and future free cash flow, while a score below 1 signals trouble may be on the horizon. And by extension, the greater the score, the safer the dividend, as excess cash can be used to offset any unexpected earnings shortfall. Cisco scores a 3.4 on our Dividend Cushion™, which is EXCELLENT.

### Dividend Growth Potential — EXCELLENT

We judge the future potential growth of the dividend by evaluating the capacity for future increases, as measured by the Dividend Cushion™, and management's willingness to consistently raise the dividend, as measured by the firm's dividend track record. Cisco registers an EXCELLENT rating on our scale, and we think the firm's annual dividend will be $1.45 per share within the next several years.

### Risk of Capital Loss — LOW

We assess the risk of capital loss based on our analysis of a firm's intrinsic value at this point in time. If the stock is undervalued (based on our DCF process), we think the risk of failing to recoup one's original capital investment (ex dividends) is relatively LOW. If the stock is fairly valued (it falls within our fair value estimate range), we think the likelihood of losing capital (ex dividends) is MEDIUM. If the stock is trading above our estimate of its intrinsic value, we think the likelihood of losing at least a portion of one's original investment (ex dividends) is HIGH. Cisco registers a score of LOW on our scale.

### Key Dividend Considerations

| | |
|---|---|
| Current Annual Dividend Yield | **3.00%** |
| Annual Dividends per Share | **$0.76** |
| Initial Annual Div's Paid, $10k Investment | **$300.04** |
| Dividend Track Record | **HEALTHY** |
| Dividend Safety | **EXCELLENT** |
| Valuentum Dividend Cushion™ | **3.4** |
| Dividend Growth Potential | **EXCELLENT** |
| Risk of Capital Loss | **LOW** |
| ValueRisk™ (Equity Margin of Safety) | **LOW** |

The Valuentum Dividend Cushion is a ratio that compares the firm's excess cash and cash flow to its future dividend stream. A score above 1 indicates cash flow is sufficient to cover future dividends (higher is better).

### Dividend Strength

| Dividend Safety \ Dividend Growth | Very Poor | Poor | Good | Excellent |
|---|---|---|---|---|
| Excellent | | | | |
| Good | | | | |
| Poor | | | | |
| Very Poor | | | | |

Firms that have safe and growing dividends score at the top right of our scale.

### Dividend Track Record — HEALTHY

| Fiscal Year | Div's/Share ($) | Div Growth % | EPS ($) | Payout Ratio |
|---|---|---|---|---|
| Jul-00 | 0.00 | 0.0 | 0.36 | 0.0% |
| Jul-01 | 0.00 | 0.0 | -0.14 | 0.0% |
| Jul-02 | 0.00 | 0.0 | 0.25 | 0.0% |
| Jul-03 | 0.00 | 0.0 | 0.50 | 0.0% |
| Jul-04 | 0.00 | 0.0 | 0.70 | 0.0% |
| Jul-05 | 0.00 | 0.0 | 0.87 | 0.0% |
| Jul-06 | 0.00 | 0.0 | 0.89 | 0.0% |
| Jul-07 | 0.00 | 0.0 | 1.17 | 0.0% |
| Jul-08 | 0.00 | 0.0 | 1.31 | 0.0% |
| Jul-09 | 0.00 | 0.0 | 1.05 | 0.0% |
| Jul-10 | 0.00 | 0.0 | 1.33 | 0.0% |
| Jul-11 | 0.12 | 0.0 | 1.17 | 10.3% |
| Jul-12 | 0.28 | 133.3 | 1.49 | 18.8% |
| Jul-13 | 0.62 | 121.4 | 1.86 | 33.3% |
| Jul-14 | 0.72 | 16.1 | 1.49 | 48.3% |
| ***Jul-15*** | ***0.76*** | ***5.6*** | ***2.18*** | ***34.8%*** |
| *Jul-16* | *0.91* | *20.0* | *2.30* | *39.6%* |
| *Jul-17* | *1.09* | *20.0* | *2.37* | *46.1%* |
| *Jul-18* | *1.26* | *15.0* | *2.42* | *51.9%* |
| *Jul-19* | *1.45* | *15.0* | *2.45* | *59.0%* |

Light green shading denotes a dividend increase, while light red shading denotes a dividend decrease. Heavy green shading denotes a significant dividend increase, while heavy red shading denotes a significant dividend decrease or an excessive payout ratio. NA = Not Applicable.

To view our full 16-page equity report on Cisco, please visit our website at www.valuentum.com



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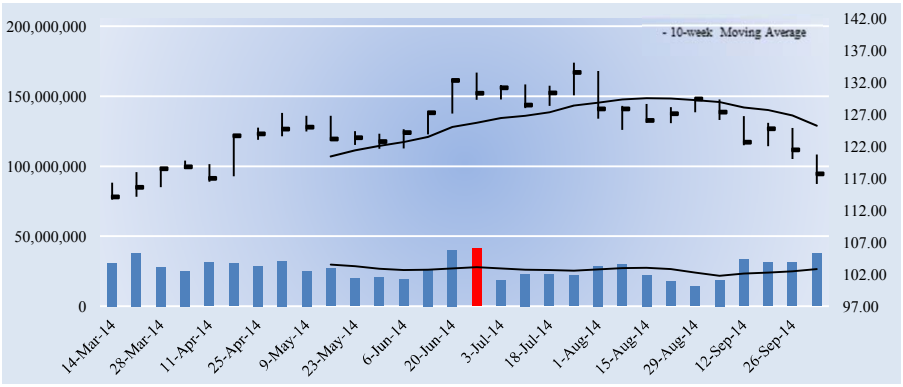
# Chevron CVX FAIRLY VALUED

**Buying Index™** 4 **Value Rating**

| Economic Castle | Stock Fair Value Range | Dividend Track Record | Dividend Safety / Cushion™ | Div Growth Potential | Dividend Yield |
|---|---|---|---|---|---|
| Attractive | $93.00 - $139.00 | HEALTHY | GOOD / 1.3 | EXCELLENT | 3.64% |

**Chevron boasts a strong dividend, but the net cash position on its balance sheet that it once had is no more.**

## Stock Chart (weekly)




## Company Vitals

| | |
|---|---|
| Market Cap (USD) | $227,416 |
| Avg Weekly Vol (30 wks) | 27,178 |
| 30-week Range (USD) | 113.68 - 135.1 |
| Valuentum Sector | Energy |
| Last Fiscal Year Revenue | 228,848 |
| Last Fiscal Year EPS | 11.09 |
| Last Fiscal Year EBITDA | 42,564 |
| Forward Revenue Growth (5-yr) | 0.7% |
| Forward EPS Growth (5-yr) | 5.1% |

## Dividend Vitals

| | |
|---|---|
| Current Annual Dividend Yield % | 3.6% |
| Annual Dividends Per Share | 4.28 |
| Forward Dividend Payout Ratio | 40.1% |
| 3-yr Historical Dividend CAGR | 11.5% |
| 15-yr Historical Dividend CAGR | NA |
| 3-yr Hist Median Div Payout Ratio | 26.1% |
| 15-yr Hist Median Div Payout Ratio | 25.8% |

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

## Initial Annual Income Per Investment ($)

| # of Shares | Investment ($) | Annual Div's ($) |
|---|---|---|
| 25 | 2,942.75 | 107.00 |
| 50 | 5,885.50 | 214.00 |
| 100 | 11,771.00 | 428.00 |
| 200 | 23,542.00 | 856.00 |
| 300 | 35,313.00 | 1,284.00 |
| 400 | 47,084.00 | 1,712.00 |
| 500 | 58,855.00 | 2,140.00 |
| 1,000 | 117,710.00 | 4,280.00 |
| 2,000 | 235,420.00 | 8,560.00 |
| 5,000 | 588,550.00 | 21,400.00 |
| 10,000 | 1,177,100.00 | 42,800.00 |
| 50,000 | 5,885,500.00 | 214,000.00 |
| 100,000 | 11,771,000 | 428,000.00 |

Initial annual income is based on the firm's current forward annual dividend yield and could be subject to change.

## Dividend Safety / Cushion — GOOD / 1.3

We assess the safety of a firm's dividend by adding the company's net cash to our forecast of its free cash flows over the next five years. We then divide that sum by the total expected dividends over the next five years. This process results in our Dividend Cushion™ ratio. A Dividend Cushion™ above 1 indicates a firm can cover its future dividends with net cash on hand and future free cash flow, while a score below 1 signals trouble may be on the horizon. And by extension, the greater the score, the safer the dividend, as excess cash can be used to offset any unexpected earnings shortfall. Chevron scores a 1.3 on our Dividend Cushion™, which is GOOD.

## Dividend Growth Potential — EXCELLENT

We judge the future potential growth of the dividend by evaluating the capacity for future increases, as measured by the Dividend Cushion™, and management's willingness to consistently raise the dividend, as measured by the firm's dividend track record. Chevron registers an EXCELLENT rating on our scale, and we think the firm's annual dividend will be $5.82 per share within the next several years.

## Risk of Capital Loss — MEDIUM

We assess the risk of capital loss based on our analysis of a firm's intrinsic value at this point in time. If the stock is undervalued (based on our DCF process), we think the risk of failing to recoup one's original capital investment (ex dividends) is relatively LOW. If the stock is fairly valued (it falls within our fair value estimate range), we think the likelihood of losing capital (ex dividends) is MEDIUM. If the stock is trading above our estimate of its intrinsic value, we think the likelihood of losing at least a portion of one's original investment (ex dividends) is HIGH. Chevron registers a score of MEDIUM on our scale.

## Key Dividend Considerations

| | |
|---|---|
| Current Annual Dividend Yield | **3.64%** |
| Annual Dividends per Share | **$4.28** |
| Initial Annual Div's Paid, $10k Investment | **$363.61** |
| Dividend Track Record | **HEALTHY** |
| Dividend Safety | **GOOD** |
| Valuentum Dividend Cushion™ | **1.3** |
| Dividend Growth Potential | **EXCELLENT** |
| Risk of Capital Loss | **MEDIUM** |
| ValueRisk™ (Equity Margin of Safety) | **LOW** |

The Valuentum Dividend Cushion is a ratio that compares the firm's excess cash and cash flow to its future dividend stream. A score above 1 indicates cash flow is sufficient to cover future dividends (higher is better).

## Dividend Strength

| Dividend Safety \ Dividend Growth | Very Poor | Poor | Good | Excellent |
|---|---|---|---|---|
| Excellent | | | | |
| Good | | | | |
| Poor | | | | |
| Very Poor | | | | |

Firms that have safe and growing dividends score at the top right of our scale.

## Dividend Track Record — HEALTHY

| Fiscal Year | Div's/Share ($) | Div Growth % | EPS ($) | Payout Ratio |
|---|---|---|---|---|
| NA | 0.00 | 0.0 | 1.50 | 0.0% |
| NA | 0.00 | 0.0 | 3.61 | 0.0% |
| Dec-01 | 0.35 | 0.0 | 1.85 | 18.9% |
| Dec-02 | 1.40 | 300.0 | 0.54 | 259.3% |
| Dec-03 | 1.43 | 2.1 | 3.57 | 40.1% |
| Dec-04 | 1.53 | 7.0 | 6.14 | 24.9% |
| Dec-05 | 1.75 | 14.4 | 6.54 | 26.8% |
| Dec-06 | 2.01 | 14.9 | 7.80 | 25.8% |
| Dec-07 | 2.26 | 12.4 | 8.77 | 25.8% |
| Dec-08 | 2.53 | 11.9 | 11.67 | 21.7% |
| Dec-09 | 2.66 | 5.1 | 5.24 | 50.8% |
| Dec-10 | 2.84 | 6.8 | 9.48 | 30.0% |
| Dec-11 | 3.09 | 8.8 | 13.44 | 23.0% |
| Dec-12 | 3.51 | 13.6 | 13.43 | 26.1% |
| Dec-13 | 3.90 | 11.1 | 11.09 | 35.2% |
| ***Dec-14*** | ***4.28*** | ***9.7*** | ***10.67*** | ***40.1%*** |
| *Dec-15* | *4.62* | *8.0* | *10.99* | *42.1%* |
| *Dec-16* | *4.99* | *8.0* | *11.87* | *42.1%* |
| *Dec-17* | *5.39* | *8.0* | *12.92* | *41.7%* |
| *Dec-18* | *5.82* | *8.0* | *14.19* | *41.0%* |

Light green shading denotes a dividend increase, while light red shading denotes a dividend decrease. Heavy green shading denotes a significant dividend increase, while heavy red shading denotes a significant dividend decrease or an excessive payout ratio. NA = Not Applicable.

To view our full 16-page equity report on Chevron, please visit our website at www.valuentum.com



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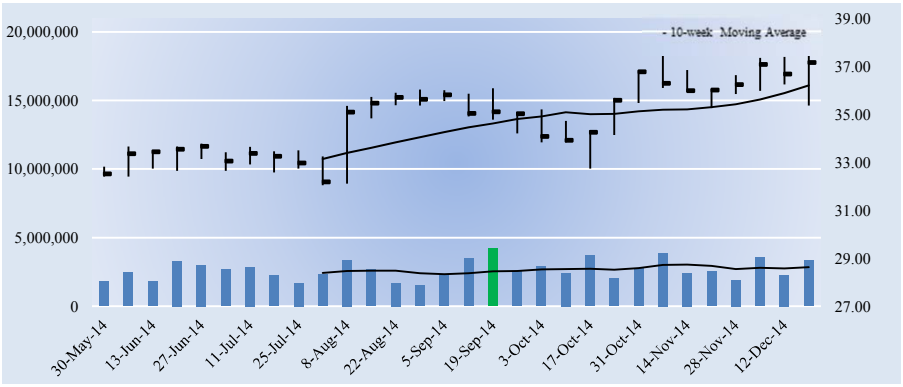
# Corrections Corp CXW FAIRLY VALUED

**Buying Index™** 7 **Value Rating**

| Economic Castle | Stock Fair Value Range | Dividend Track Record | Dividend Safety / Cushion™ | Div Growth Potential | Dividend Yield |
|---|---|---|---|---|---|
| Attractive | $26.00 - $44.00 | HEALTHY | GOOD / 1.3 | EXCELLENT | 5.49% |

## Corrections Corp issued a special dividend of $6.63 per share in 2013.

### Stock Chart (weekly)




### Company Vitals

| | |
|---|---|
| Market Cap (USD) | $4,135 |
| Avg Weekly Vol (30 wks) | 2,653 |
| 30-week Range (USD) | 32.05 - 37.47 |
| Valuentum Sector | Information Technology |
| Last Fiscal Year Revenue | 1,694 |
| Last Fiscal Year EPS | 2.74 |
| Last Fiscal Year EBITDA | 375 |
| Forward Revenue Growth (5-yr) | 2.2% |
| Forward EPS Growth (5-yr) | 2.2% |

### Dividend Vitals

| | |
|---|---|
| Current Annual Dividend Yield % | 5.5% |
| Annual Dividends Per Share | 2.04 |
| Forward Dividend Payout Ratio | 106.3% |
| 3-yr Historical Dividend CAGR | INF |
| 15-yr Historical Dividend CAGR | NA |
| 3-yr Hist Median Div Payout Ratio | 38.5% |
| 15-yr Hist Median Div Payout Ratio | 0.0% |

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

### Initial Annual Income Per Investment ($)

| # of Shares | Investment ($) | Annual Div's ($) |
|---|---|---|
| 25 | 929.25 | 51.00 |
| 50 | 1,858.50 | 102.00 |
| 100 | 3,717.00 | 204.00 |
| 200 | 7,434.00 | 408.00 |
| 300 | 11,151.00 | 612.00 |
| 400 | 14,868.00 | 816.00 |
| 500 | 18,585.00 | 1,020.00 |
| 1,000 | 37,170.00 | 2,040.00 |
| 2,000 | 74,340.00 | 4,080.00 |
| 5,000 | 185,850.00 | 10,200.00 |
| 10,000 | 371,700.00 | 20,400.00 |
| 50,000 | 1,858,500.00 | 102,000.00 |
| 100,000 | 3,717,000.00 | 204,000.00 |

Initial annual income is based on the firm's current forward annual dividend yield and could be subject to change.

### Dividend Safety / Cushion — GOOD / 1.3

We assess the safety of a firm's dividend by adding the company's net cash to our forecast of its free cash flows over the next five years. We then divide that sum by the total expected dividends over the next five years. This process results in our Dividend Cushion™ ratio. A Dividend Cushion™ above 1 indicates a firm can cover its future dividends with net cash on hand and future free cash flow, while a score below 1 signals trouble may be on the horizon. And by extension, the greater the score, the safer the dividend, as excess cash can be used to offset any unexpected earnings shortfall. Corrections Corp scores a 1.3 on our Dividend Cushion™, which is GOOD.

### Dividend Growth Potential — EXCELLENT

We judge the future potential growth of the dividend by evaluating the capacity for future increases, as measured by the Dividend Cushion™, and management's willingness to consistently raise the dividend, as measured by the firm's dividend track record. Corrections Corp registers an EXCELLENT rating on our scale, and we think the firm's annual dividend will be $2.48 per share within the next several years.

### Risk of Capital Loss — MEDIUM

We assess the risk of capital loss based on our analysis of a firm's intrinsic value at this point in time. If the stock is undervalued (based on our DCF process), we think the risk of failing to recoup one's original capital investment (ex dividends) is relatively LOW. If the stock is fairly valued (it falls within our fair value estimate range), we think the likelihood of losing capital (ex dividends) is MEDIUM. If the stock is trading above our estimate of its intrinsic value, we think the likelihood of losing at least a portion of one's original investment (ex dividends) is HIGH. Corrections Corp registers a score of MEDIUM on our scale.

### Key Dividend Considerations

| | |
|---|---|
| Current Annual Dividend Yield | **5.49%** |
| Annual Dividends per Share | **$2.04** |
| Initial Annual Div's Paid, $10k Investment | **$548.83** |
| Dividend Track Record | **HEALTHY** |
| Dividend Safety | **GOOD** |
| Valuentum Dividend Cushion™ | **1.3** |
| Dividend Growth Potential | **EXCELLENT** |
| Risk of Capital Loss | **MEDIUM** |
| ValueRisk™ (Equity Margin of Safety) | **MEDIUM** |

The Valuentum Dividend Cushion is a ratio that compares the firm's excess cash and cash flow to its future dividend stream. A score above 1 indicates cash flow is sufficient to cover future dividends (higher is better).

### Dividend Strength

| Dividend Safety \ Dividend Growth | Very Poor | Poor | Good | Excellent |
|---|---|---|---|---|
| Excellent | | | | |
| Good | | | | |
| Poor | | | | |
| Very Poor | | | | |

Firms that have safe and growing dividends score at the top right of our scale.

### Dividend Track Record — HEALTHY

| Fiscal Year | Div's/Share ($) | Div Growth % | EPS ($) | Payout Ratio |
|---|---|---|---|---|
| Dec-99 | 0.00 | 0.0 | -3.60 | 0.0% |
| Dec-00 | 0.00 | 0.0 | -37.82 | 0.0% |
| Dec-01 | 0.00 | 0.0 | 0.13 | 0.0% |
| Dec-02 | 0.00 | 0.0 | 1.83 | 0.0% |
| Dec-03 | 0.00 | 0.0 | 2.31 | 0.0% |
| Dec-04 | 0.00 | 0.0 | 1.03 | 0.0% |
| Dec-05 | 0.00 | 0.0 | 0.42 | 0.0% |
| Dec-06 | 0.00 | 0.0 | 0.86 | 0.0% |
| Dec-07 | 0.00 | 0.0 | 1.05 | 0.0% |
| Dec-08 | 0.00 | 0.0 | 1.21 | 0.0% |
| Dec-09 | 0.00 | 0.0 | 1.33 | 0.0% |
| Dec-10 | 0.00 | 0.0 | 1.39 | 0.0% |
| Dec-11 | 0.00 | 0.0 | 1.54 | 0.0% |
| Dec-12 | 0.60 | 0.0 | 1.56 | 38.5% |
| Dec-13 | 8.60 | 1333.3 | 2.73 | 315.0% |
| ***Dec-14*** | ***2.04*** | ***-76.3*** | ***1.92*** | ***106.3%*** |
| *Dec-15* | *2.14* | *5.0* | *1.90* | *112.8%* |
| *Dec-16* | *2.25* | *5.0* | *2.27* | *99.2%* |
| *Dec-17* | *2.36* | *5.0* | *2.65* | *89.1%* |
| *Dec-18* | *2.48* | *5.0* | *3.05* | *81.4%* |

Light green shading denotes a dividend increase, while light red shading denotes a dividend decrease. Heavy green shading denotes a significant dividend increase, while heavy red shading denotes a significant dividend decrease or an excessive payout ratio. NA = Not Applicable.

To view our full 16-page equity report on Corrections Corp, please visit our website at www.valuentum.com



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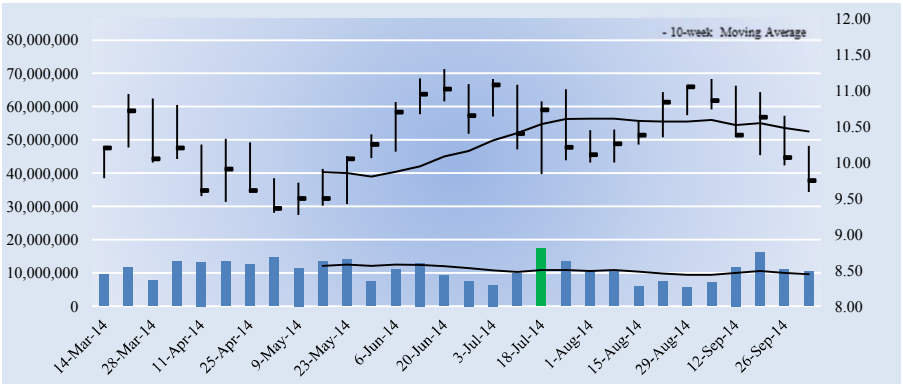
# Cypress Semi CY FAIRLY VALUED

**Buying Index™** 3 **Value Rating**

| Economic Castle | Stock Fair Value Range | Dividend Track Record | Dividend Safety / Cushion™ | Div Growth Potential | Dividend Yield |
|---|---|---|---|---|---|
| Very Attractive | $7.00 - $13.00 | HEALTHY | GOOD / 1.5 | EXCELLENT | 4.51% |

## Cypress Semi's dividend health is good, but we're concerned about SRAM revenue declines.

### Stock Chart (weekly)




### Company Vitals

| | |
|---|---|
| Market Cap (USD) | $1,448 |
| Avg Weekly Vol (30 wks) | 10,905 |
| 30-week Range (USD) | 9.27 - 11.3 |
| Valuentum Sector | Information Technology |
| Last Fiscal Year Revenue | 723 |
| Last Fiscal Year EPS | -0.31 |
| Last Fiscal Year EBITDA | 6 |
| Forward Revenue Growth (5-yr) | 4.4% |
| Forward EPS Growth (5-yr) | -220.3% |

### Dividend Vitals

| | |
|---|---|
| Current Annual Dividend Yield % | 4.5% |
| Annual Dividends Per Share | 0.44 |
| Forward Dividend Payout Ratio | 80.7% |
| 3-yr Historical Dividend CAGR | 34.7% |
| 15-yr Historical Dividend CAGR | NA |
| 3-yr Hist Median Div Payout Ratio | -141.9% |
| 15-yr Hist Median Div Payout Ratio | 0.0% |

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

### Initial Annual Income Per Investment ($)

| # of Shares | Investment ($) | Annual Div's ($) |
|---|---|---|
| 25 | 243.75 | 11.00 |
| 50 | 487.50 | 22.00 |
| 100 | 975.00 | 44.00 |
| 200 | 1,950.00 | 88.00 |
| 300 | 2,925.00 | 132.00 |
| 400 | 3,900.00 | 176.00 |
| 500 | 4,875.00 | 220.00 |
| 1,000 | 9,750.00 | 440.00 |
| 2,000 | 19,500.00 | 880.00 |
| 5,000 | 48,750.00 | 2,200.00 |
| 10,000 | 97,500.00 | 4,400.00 |
| 50,000 | 487,500.00 | 22,000.00 |
| 100,000 | 975,000.00 | 44,000.00 |

Initial annual income is based on the firm's current forward annual dividend yield and could be subject to change.

### Dividend Safety / Cushion — GOOD / 1.5

We assess the safety of a firm's dividend by adding the company's net cash to our forecast of its free cash flows over the next five years. We then divide that sum by the total expected dividends over the next five years. This process results in our Dividend Cushion™ ratio. A Dividend Cushion™ above 1 indicates a firm can cover its future dividends with net cash on hand and future free cash flow, while a score below 1 signals trouble may be on the horizon. And by extension, the greater the score, the safer the dividend, as excess cash can be used to offset any unexpected earnings shortfall. Cypress Semi scores a 1.5 on our Dividend Cushion™, which is GOOD.

### Dividend Growth Potential — EXCELLENT

We judge the future potential growth of the dividend by evaluating the capacity for future increases, as measured by the Dividend Cushion™, and management's willingness to consistently raise the dividend, as measured by the firm's dividend track record. Cypress Semi registers an EXCELLENT rating on our scale, and we think the firm's annual dividend will be $0.44 per share within the next several years.

### Risk of Capital Loss — MEDIUM

We assess the risk of capital loss based on our analysis of a firm's intrinsic value at this point in time. If the stock is undervalued (based on our DCF process), we think the risk of failing to recoup one's original capital investment (ex dividends) is relatively LOW. If the stock is fairly valued (it falls within our fair value estimate range), we think the likelihood of losing capital (ex dividends) is MEDIUM. If the stock is trading above our estimate of its intrinsic value, we think the likelihood of losing at least a portion of one's original investment (ex dividends) is HIGH. Cypress Semi registers a score of MEDIUM on our scale.

### Key Dividend Considerations

| | |
|---|---|
| Current Annual Dividend Yield | **4.51%** |
| Annual Dividends per Share | **$0.44** |
| Initial Annual Div's Paid, $10k Investment | **$451.28** |
| Dividend Track Record | **HEALTHY** |
| Dividend Safety | **GOOD** |
| Valuentum Dividend Cushion™ | **1.5** |
| Dividend Growth Potential | **EXCELLENT** |
| Risk of Capital Loss | **MEDIUM** |
| ValueRisk™ (Equity Margin of Safety) | **MEDIUM** |

The Valuentum Dividend Cushion is a ratio that compares the firm's excess cash and cash flow to its future dividend stream. A score above 1 indicates cash flow is sufficient to cover future dividends (higher is better).

### Dividend Strength

| Dividend Safety \ Dividend Growth | Very Poor | Poor | Good | Excellent |
|---|---|---|---|---|
| Excellent | | | | |
| Good | | | | |
| Poor | | | | |
| Very Poor | | | | |

Firms that have safe and growing dividends score at the top right of our scale.

### Dividend Track Record — HEALTHY

| Fiscal Year | Div's/Share ($) | Div Growth % | EPS ($) | Payout Ratio |
|---|---|---|---|---|
| Dec-99 | 0.00 | 0.0 | 0.81 | 0.0% |
| Dec-00 | 0.00 | 0.0 | 2.03 | 0.0% |
| Dec-01 | 0.00 | 0.0 | -3.32 | 0.0% |
| Dec-02 | 0.00 | 0.0 | -2.02 | 0.0% |
| Dec-03 | 0.00 | 0.0 | -0.04 | 0.0% |
| Dec-04 | 0.00 | 0.0 | 0.17 | 0.0% |
| Dec-05 | 0.00 | 0.0 | -0.69 | 0.0% |
| Dec-06 | 0.00 | 0.0 | 0.25 | 0.0% |
| Dec-07 | 0.00 | 0.0 | 2.30 | 0.0% |
| Dec-08 | 0.00 | 0.0 | -3.07 | 0.0% |
| Dec-09 | 0.00 | 0.0 | -1.03 | 0.0% |
| Dec-10 | 0.00 | 0.0 | 0.40 | 0.0% |
| Dec-11 | 0.18 | 0.0 | 0.90 | 20.0% |
| Dec-12 | 0.44 | 144.4 | -0.15 | -293.3% |
| Dec-13 | 0.44 | 0.0 | -0.31 | -141.9% |
| ***Dec-14*** | ***0.44*** | ***0.0*** | ***0.55*** | ***80.7%*** |
| *Dec-15* | *0.44* | *0.0* | *0.70* | *63.1%* |
| *Dec-16* | *0.44* | *0.0* | *0.73* | *60.0%* |
| *Dec-17* | *0.44* | *0.0* | *0.76* | *57.6%* |
| *Dec-18* | *0.44* | *0.0* | *0.79* | *55.8%* |

Light green shading denotes a dividend increase, while light red shading denotes a dividend decrease. Heavy green shading denotes a significant dividend increase, while heavy red shading denotes a significant dividend decrease or an excessive payout ratio. NA = Not Applicable.

To view our full 16-page equity report on Cypress Semi, please visit our website at www.valuentum.com



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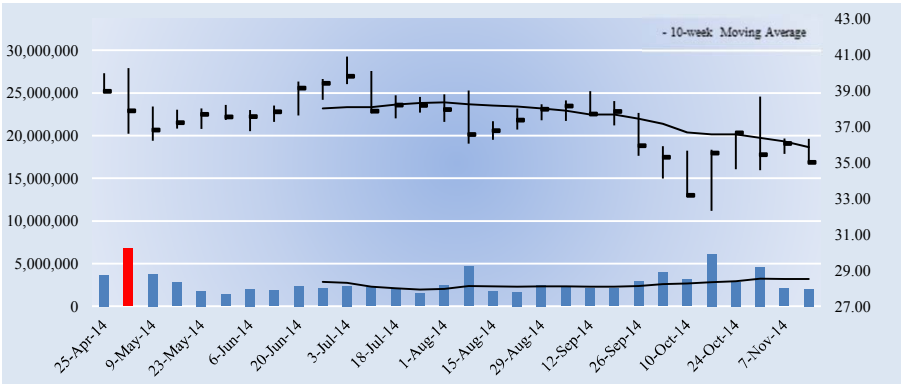
# Diebold DBD FAIRLY VALUED

**Buying Index™** 3 **Value Rating**

| Economic Castle | Stock Fair Value Range | Dividend Track Record | Dividend Safety / Cushion™ | Div Growth Potential | Dividend Yield |
|---|---|---|---|---|---|
| Attractive | $30.00 - $44.00 | HEALTHY | GOOD / 2.3 | GOOD | 3.29% |

## Diebold has a strong dividend yield and solid dividend growth prospects.

### Stock Chart (weekly)




### Key Dividend Considerations

| | |
|---|---|
| Current Annual Dividend Yield | **3.29%** |
| Annual Dividends per Share | **$1.15** |
| Initial Annual Div's Paid, $10k Investment | **$328.57** |
| Dividend Track Record | **HEALTHY** |
| Dividend Safety | **GOOD** |
| Valuentum Dividend Cushion™ | **2.3** |
| Dividend Growth Potential | **GOOD** |
| Risk of Capital Loss | **MEDIUM** |
| ValueRisk™ (Equity Margin of Safety) | **LOW** |

The Valuentum Dividend Cushion is a ratio that compares the firm's excess cash and cash flow to its future dividend stream. A score above 1 indicates cash flow is sufficient to cover future dividends (higher is better).

### Dividend Strength

| Dividend Safety \ Dividend Growth | Very Poor | Poor | Good | Excellent |
|---|---|---|---|---|
| Excellent | | | | |
| Good | | | ■ | |
| Poor | | | | |
| Very Poor | | | | |

Firms that have safe and growing dividends score at the top right of our scale.

### Company Vitals

| | |
|---|---|
| Market Cap (USD) | $2,228 |
| Avg Weekly Vol (30 wks) | 2,785 |
| 30-week Range (USD) | 32.31 - 40.9 |
| Valuentum Sector | Industrials |
| Last Fiscal Year Revenue | 2,857 |
| Last Fiscal Year EPS | -2.85 |
| Last Fiscal Year EBITDA | 34 |
| Forward Revenue Growth (5-yr) | 2.0% |
| Forward EPS Growth (5-yr) | -200.2% |

### Dividend Vitals

| | |
|---|---|
| Current Annual Dividend Yield % | 3.3% |
| Annual Dividends Per Share | 1.15 |
| Forward Dividend Payout Ratio | 64.3% |
| 3-yr Historical Dividend CAGR | 0.9% |
| 15-yr Historical Dividend CAGR | 4.4% |
| 3-yr Hist Median Div Payout Ratio | 50.2% |
| 15-yr Hist Median Div Payout Ratio | 50.2% |

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

### Initial Annual Income Per Investment ($)

| # of Shares | Investment ($) | Annual Div's ($) |
|---|---|---|
| 25 | 875.00 | 28.75 |
| 50 | 1,750.00 | 57.50 |
| 100 | 3,500.00 | 115.00 |
| 200 | 7,000.00 | 230.00 |
| 300 | 10,500.00 | 345.00 |
| 400 | 14,000.00 | 460.00 |
| 500 | 17,500.00 | 575.00 |
| 1,000 | 35,000.00 | 1,150.00 |
| 2,000 | 70,000.00 | 2,300.00 |
| 5,000 | 175,000.00 | 5,750.00 |
| 10,000 | 350,000.00 | 11,500.00 |
| 50,000 | 1,750,000.00 | 57,500.00 |
| 100,000 | 3,500,000.00 | 115,000.00 |

Initial annual income is based on the firm's current forward annual dividend yield and could be subject to change.

### Dividend Safety / Cushion — GOOD / 2.3

We assess the safety of a firm's dividend by adding the company's net cash to our forecast of its free cash flows over the next five years. We then divide that sum by the total expected dividends over the next five years. This process results in our Dividend Cushion™ ratio. A Dividend Cushion™ above 1 indicates a firm can cover its future dividends with net cash on hand and future free cash flow, while a score below 1 signals trouble may be on the horizon. And by extension, the greater the score, the safer the dividend, as excess cash can be used to offset any unexpected earnings shortfall. Diebold scores a 2.3 on our Dividend Cushion™, which is GOOD.

### Dividend Growth Potential — GOOD

We judge the future potential growth of the dividend by evaluating the capacity for future increases, as measured by the Dividend Cushion™, and management's willingness to consistently raise the dividend, as measured by the firm's dividend track record. Diebold registers an GOOD rating on our scale, and we think the firm's annual dividend will be $1.26 per share within the next several years.

### Risk of Capital Loss — MEDIUM

We assess the risk of capital loss based on our analysis of a firm's intrinsic value at this point in time. If the stock is undervalued (based on our DCF process), we think the risk of failing to recoup one's original capital investment (ex dividends) is relatively LOW. If the stock is fairly valued (it falls within our fair value estimate range), we think the likelihood of losing capital (ex dividends) is MEDIUM. If the stock is trading above our estimate of its intrinsic value, we think the likelihood of losing at least a portion of one's original investment (ex dividends) is HIGH. Diebold registers a score of MEDIUM on our scale.

### Dividend Track Record — HEALTHY

| Fiscal Year | Div's/Share ($) | Div Growth % | EPS ($) | Payout Ratio |
|---|---|---|---|---|
| Dec-99 | 0.60 | 0.0 | 1.85 | 32.4% |
| Dec-00 | 0.62 | 3.3 | 1.92 | 32.3% |
| Dec-01 | 0.64 | 3.2 | 0.93 | 68.8% |
| Dec-02 | 0.66 | 3.1 | 1.83 | 36.1% |
| Dec-03 | 0.68 | 3.0 | 2.40 | 28.3% |
| Dec-04 | 0.74 | 8.8 | 2.54 | 29.1% |
| Dec-05 | 0.82 | 10.8 | 1.17 | 70.1% |
| Dec-06 | 0.86 | 4.9 | 1.29 | 66.7% |
| Dec-07 | 0.94 | 9.3 | 0.59 | 159.3% |
| Dec-08 | 1.00 | 6.4 | 1.52 | 65.8% |
| Dec-09 | 1.04 | 4.0 | 1.09 | 95.4% |
| Dec-10 | 1.08 | 3.8 | -0.31 | -348.4% |
| Dec-11 | 1.12 | 3.7 | 2.23 | 50.2% |
| Dec-12 | 1.14 | 1.8 | 1.28 | 89.1% |
| Dec-13 | 1.15 | 0.9 | -2.85 | -40.4% |
| ***Dec-14*** | ***1.15*** | ***0.0*** | ***1.79*** | ***64.3%*** |
| *Dec-15* | *1.16* | *1.0* | *2.05* | *56.7%* |
| *Dec-16* | *1.18* | *2.0* | *2.28* | *51.9%* |
| *Dec-17* | *1.22* | *3.0* | *2.55* | *47.8%* |
| *Dec-18* | *1.26* | *3.0* | *2.88* | *43.7%* |

Light green shading denotes a dividend increase, while light red shading denotes a dividend decrease. Heavy green shading denotes a significant dividend increase, while heavy red shading denotes a significant dividend decrease or an excessive payout ratio. NA = Not Applicable.

To view our full 16-page equity report on Diebold, please visit our website at www.valuentum.com



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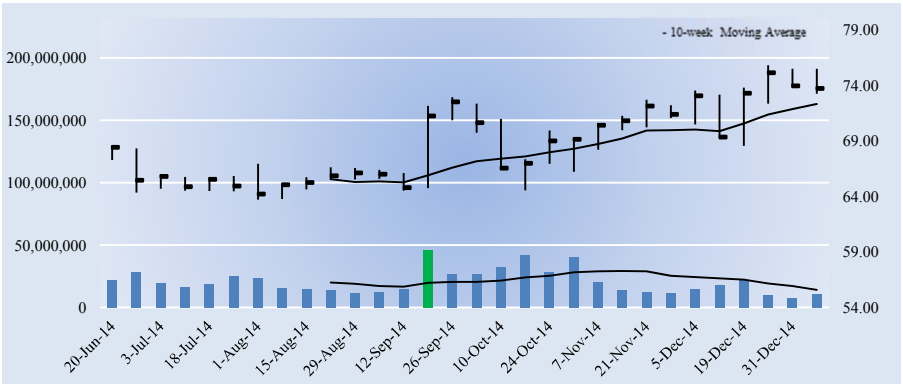
# DuPont DD FAIRLY VALUED

**Buying Index™** 6 **Value Rating**

| Economic Castle | Stock Fair Value Range | Dividend Track Record | Dividend Safety / Cushion™ | Div Growth Potential | Dividend Yield |
|---|---|---|---|---|---|
| Attractive | $53.00 - $79.00 | HEALTHY | GOOD / 2.1 | GOOD | 2.55% |

**DuPont's strong Dividend Cushion ratio and above-average annual yield make for a good combination.**

## Stock Chart (weekly)




## Key Dividend Considerations

| | |
|---|---|
| Current Annual Dividend Yield | **2.55%** |
| Annual Dividends per Share | **$1.88** |
| Initial Annual Div's Paid, $10k Investment | **$255.05** |
| Dividend Track Record | **HEALTHY** |
| Dividend Safety | **GOOD** |
| Valuentum Dividend Cushion™ | **2.1** |
| Dividend Growth Potential | **GOOD** |
| Risk of Capital Loss | **MEDIUM** |
| ValueRisk™ (Equity Margin of Safety) | **LOW** |

The Valuentum Dividend Cushion is a ratio that compares the firm's excess cash and cash flow to its future dividend stream. A score above 1 indicates cash flow is sufficient to cover future dividends (higher is better).

## Dividend Strength

| Dividend Safety \ Dividend Growth | Very Poor | Poor | Good | Excellent |
|---|---|---|---|---|
| Excellent | | | | |
| Good | | | ■ | |
| Poor | | | | |
| Very Poor | | | | |

Firms that have safe and growing dividends score at the top right of our scale.

## Company Vitals

| | |
|---|---|
| Market Cap (USD) | $68,782 |
| Avg Weekly Vol (30 wks) | 20,690 |
| 30-week Range (USD) | 63.7 - 75.82 |
| Valuentum Sector | Materials |
| Last Fiscal Year Revenue | 36,144 |
| Last Fiscal Year EPS | 3.05 |
| Last Fiscal Year EBITDA | 9,196 |
| Forward Revenue Growth (5-yr) | 3.0% |
| Forward EPS Growth (5-yr) | 12.9% |

## Dividend Vitals

| | |
|---|---|
| Current Annual Dividend Yield % | 2.6% |
| Annual Dividends Per Share | 1.88 |
| Forward Dividend Payout Ratio | 46.4% |
| 3-yr Historical Dividend CAGR | 4.7% |
| 15-yr Historical Dividend CAGR | 2.0% |
| 3-yr Hist Median Div Payout Ratio | 58.6% |
| 15-yr Hist Median Div Payout Ratio | 65.6% |

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

## Initial Annual Income Per Investment ($)

| # of Shares | Investment ($) | Annual Div's ($) |
|---|---|---|
| 25 | 1,842.75 | 47.00 |
| 50 | 3,685.50 | 94.00 |
| 100 | 7,371.00 | 188.00 |
| 200 | 14,742.00 | 376.00 |
| 300 | 22,113.00 | 564.00 |
| 400 | 29,484.00 | 752.00 |
| 500 | 36,855.00 | 940.00 |
| 1,000 | 73,710.00 | 1,880.00 |
| 2,000 | 147,420.00 | 3,760.00 |
| 5,000 | 368,550.00 | 9,400.00 |
| 10,000 | 737,100.00 | 18,800.00 |
| 50,000 | 3,685,500.00 | 94,000.00 |
| 100,000 | 7,371,000.00 | 188,000.00 |

Initial annual income is based on the firm's current forward annual dividend yield and could be subject to change.

## Dividend Safety / Cushion — GOOD / 2.1

We assess the safety of a firm's dividend by adding the company's net cash to our forecast of its free cash flows over the next five years. We then divide that sum by the total expected dividends over the next five years. This process results in our Dividend Cushion™ ratio. A Dividend Cushion™ above 1 indicates a firm can cover its future dividends with net cash on hand and future free cash flow, while a score below 1 signals trouble may be on the horizon. And by extension, the greater the score, the safer the dividend, as excess cash can be used to offset any unexpected earnings shortfall. DuPont scores a 2.1 on our Dividend Cushion™, which is GOOD.

## Dividend Growth Potential — GOOD

We judge the future potential growth of the dividend by evaluating the capacity for future increases, as measured by the Dividend Cushion™, and management's willingness to consistently raise the dividend, as measured by the firm's dividend track record. DuPont registers an GOOD rating on our scale, and we think the firm's annual dividend will be $2.29 per share within the next several years.

## Risk of Capital Loss — MEDIUM

We assess the risk of capital loss based on our analysis of a firm's intrinsic value at this point in time. If the stock is undervalued (based on our DCF process), we think the risk of failing to recoup one's original capital investment (ex dividends) is relatively LOW. If the stock is fairly valued (it falls within our fair value estimate range), we think the likelihood of losing capital (ex dividends) is MEDIUM. If the stock is trading above our estimate of its intrinsic value, we think the likelihood of losing at least a portion of one's original investment (ex dividends) is HIGH. DuPont registers a score of MEDIUM on our scale.

## Dividend Track Record — HEALTHY

| Fiscal Year | Div's/Share ($) | Div Growth % | EPS ($) | Payout Ratio |
|---|---|---|---|---|
| Dec-99 | 1.40 | 0.0 | 0.19 | 736.8% |
| Dec-00 | 1.40 | 0.0 | 2.19 | 63.9% |
| Dec-01 | 1.40 | 0.0 | 4.15 | 33.7% |
| Dec-02 | 1.40 | 0.0 | 1.84 | 76.1% |
| Dec-03 | 1.40 | 0.0 | 0.99 | 141.4% |
| Dec-04 | 1.40 | 0.0 | 1.77 | 79.1% |
| Dec-05 | 1.46 | 4.3 | 2.07 | 70.5% |
| Dec-06 | 1.48 | 1.4 | 3.38 | 43.8% |
| Dec-07 | 1.52 | 2.7 | 3.22 | 47.2% |
| Dec-08 | 1.64 | 7.9 | 2.20 | 74.5% |
| Dec-09 | 1.64 | 0.0 | 1.92 | 85.4% |
| Dec-10 | 1.64 | 0.0 | 3.28 | 50.0% |
| Dec-11 | 1.64 | 0.0 | 3.68 | 44.6% |
| Dec-12 | 1.70 | 3.7 | 2.59 | 65.6% |
| Dec-13 | 1.78 | 4.7 | 3.04 | 58.6% |
| ***Dec-14*** | ***1.88*** | ***5.6*** | ***4.05*** | ***46.4%*** |
| *Dec-15* | *1.97* | *5.0* | *4.56* | *43.3%* |
| *Dec-16* | *2.07* | *5.0* | *4.90* | *42.3%* |
| *Dec-17* | *2.18* | *5.0* | *5.25* | *41.5%* |
| *Dec-18* | *2.29* | *5.0* | *5.60* | *40.8%* |

Light green shading denotes a dividend increase, while light red shading denotes a dividend decrease. Heavy green shading denotes a significant dividend increase, while heavy red shading denotes a significant dividend decrease or an excessive payout ratio. NA = Not Applicable.

To view our full 16-page equity report on DuPont, please visit our website at www.valuentum.com



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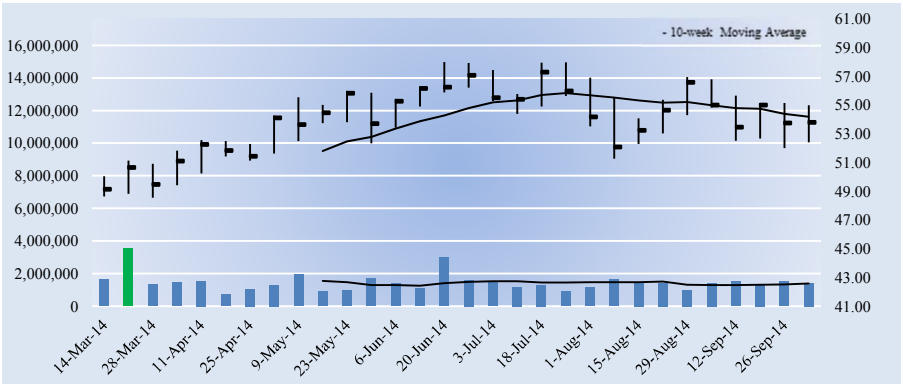
# DCP Midstream DPM FAIRLY VALUED

**Buying Index™** 4 **Value Rating**

| Economic Castle | Stock Fair Value Range | Dividend Track Record | Dividend Safety / Cushion™ | Div Growth Potential | Dividend Yield |
|---|---|---|---|---|---|
| Neutral | $37.00 - $61.00 | HEALTHY | GOOD / 2.2 | EXCELLENT | 5.63% |

**DCP Midstream has increased its quarterly distribution significantly since the middle of the last decade.**

## Stock Chart (weekly)




## Key Dividend Considerations

| | |
|---|---|
| Current Annual Dividend Yield | **5.63%** |
| Annual Dividends per Share | **$3.03** |
| Initial Annual Div's Paid, $10k Investment | **$563.20** |
| Dividend Track Record | **HEALTHY** |
| Dividend Safety | **GOOD** |
| Valuentum Dividend Cushion™ | **2.2** |
| Dividend Growth Potential | **EXCELLENT** |
| Risk of Capital Loss | **MEDIUM** |
| ValueRisk™ (Equity Margin of Safety) | **MEDIUM** |

The Valuentum Dividend Cushion is a ratio that compares the firm's excess cash and cash flow to its future dividend stream. A score above 1 indicates cash flow is sufficient to cover future dividends (higher is better).

## Dividend Strength

| Dividend Safety \ Dividend Growth | Very Poor | Poor | Good | Excellent |
|---|---|---|---|---|
| Excellent | | | | |
| Good | | | | |
| Poor | | | | |
| Very Poor | | | | |

Firms that have safe and growing dividends score at the top right of our scale.

## Company Vitals

| | |
|---|---|
| Market Cap (USD) | $4,218 |
| Avg Weekly Vol (30 wks) | 1,465 |
| 30-week Range (USD) | 48.54 - 57.98 |
| Valuentum Sector | Energy |
| Last Fiscal Year Revenue | 2,980 |
| Last Fiscal Year EPS | 2.31 |
| Last Fiscal Year EBITDA | 309 |
| Forward Revenue Growth (5-yr) | 10.0% |
| Forward EPS Growth (5-yr) | 9.6% |

## Dividend Vitals

| | |
|---|---|
| Current Annual Dividend Yield % | 5.6% |
| Annual Dividends Per Share | 3.03 |
| Forward Dividend Payout Ratio | 168.5% |
| 3-yr Historical Dividend CAGR | 6.3% |
| 15-yr Historical Dividend CAGR | NA |
| 3-yr Hist Median Div Payout Ratio | 146.5% |
| 15-yr Hist Median Div Payout Ratio | 0.0% |

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

## Initial Annual Income Per Investment ($)

| # of Shares | Investment ($) | Annual Div's ($) |
|---|---|---|
| 25 | 1,345.00 | 75.75 |
| 50 | 2,690.00 | 151.50 |
| 100 | 5,380.00 | 303.00 |
| 200 | 10,760.00 | 606.00 |
| 300 | 16,140.00 | 909.00 |
| 400 | 21,520.00 | 1,212.00 |
| 500 | 26,900.00 | 1,515.00 |
| 1,000 | 53,800.00 | 3,030.00 |
| 2,000 | 107,600.00 | 6,060.00 |
| 5,000 | 269,000.00 | 15,150.00 |
| 10,000 | 538,000.00 | 30,300.00 |
| 50,000 | 2,690,000.00 | 151,500.00 |
| 100,000 | 5,380,000.00 | 303,000.00 |

Initial annual income is based on the firm's current forward annual dividend yield and could be subject to change.

## Dividend Safety / Cushion — GOOD / 2.2

We assess the safety of a firm's dividend by adding the company's net cash to our forecast of its free cash flows over the next five years. We then divide that sum by the total expected dividends over the next five years. This process results in our Dividend Cushion™ ratio. A Dividend Cushion™ above 1 indicates a firm can cover its future dividends with net cash on hand and future free cash flow, while a score below 1 signals trouble may be on the horizon. And by extension, the greater the score, the safer the dividend, as excess cash can be used to offset any unexpected earnings shortfall. DCP Midstream scores a 2.2 on our Dividend Cushion™, which is GOOD.

## Dividend Growth Potential — EXCELLENT

We judge the future potential growth of the dividend by evaluating the capacity for future increases, as measured by the Dividend Cushion™, and management's willingness to consistently raise the dividend, as measured by the firm's dividend track record. DCP Midstream registers an EXCELLENT rating on our scale, and we think the firm's annual dividend will be $3.75 per share within the next several years.

## Risk of Capital Loss — MEDIUM

We assess the risk of capital loss based on our analysis of a firm's intrinsic value at this point in time. If the stock is undervalued (based on our DCF process), we think the risk of failing to recoup one's original capital investment (ex dividends) is relatively LOW. If the stock is fairly valued (it falls within our fair value estimate range), we think the likelihood of losing capital (ex dividends) is MEDIUM. If the stock is trading above our estimate of its intrinsic value, we think the likelihood of losing at least a portion of one's original investment (ex dividends) is HIGH. DCP Midstream registers a score of MEDIUM on our scale.

## Dividend Track Record — HEALTHY

| Fiscal Year | Div's/Share ($) | Div Growth % | EPS ($) | Payout Ratio |
|---|---|---|---|---|
| NA | 0.00 | 0.0 | 0.00 | 0.0% |
| NA | 0.00 | 0.0 | 0.00 | 0.0% |
| NA | 0.00 | 0.0 | 0.00 | 0.0% |
| NA | 0.00 | 0.0 | 0.00 | 0.0% |
| NA | 0.00 | 0.0 | 0.00 | 0.0% |
| NA | 0.00 | 0.0 | 0.00 | 0.0% |
| NA | 0.00 | 0.0 | 0.00 | 0.0% |
| NA | 0.00 | 0.0 | 0.00 | 0.0% |
| Dec-07 | 1.98 | 0.0 | -1.05 | -188.6% |
| Dec-08 | 2.36 | 19.2 | 3.25 | 72.6% |
| Dec-09 | 2.40 | 1.7 | -0.99 | -242.4% |
| Dec-10 | 2.42 | 0.8 | 0.86 | 281.4% |
| Dec-11 | 2.52 | 4.1 | 1.72 | 146.5% |
| Dec-12 | 2.66 | 5.6 | 2.28 | 116.7% |
| Dec-13 | 2.82 | 6.0 | 1.34 | 210.4% |
| ***Dec-14*** | ***3.03*** | ***7.4*** | ***1.80*** | ***168.5%*** |
| *Dec-15* | *3.21* | *6.0* | *2.56* | *125.7%* |
| *Dec-16* | *3.40* | *6.0* | *2.95* | *115.3%* |
| *Dec-17* | *3.57* | *5.0* | *3.32* | *107.7%* |
| *Dec-18* | *3.75* | *5.0* | *3.64* | *103.0%* |

Light green shading denotes a dividend increase, while light red shading denotes a dividend decrease. Heavy green shading denotes a significant dividend increase, while heavy red shading denotes a significant dividend decrease or an excessive payout ratio. NA = Not Applicable.

To view our full 16-page equity report on DCP Midstream, please visit our website at www.valuentum.com



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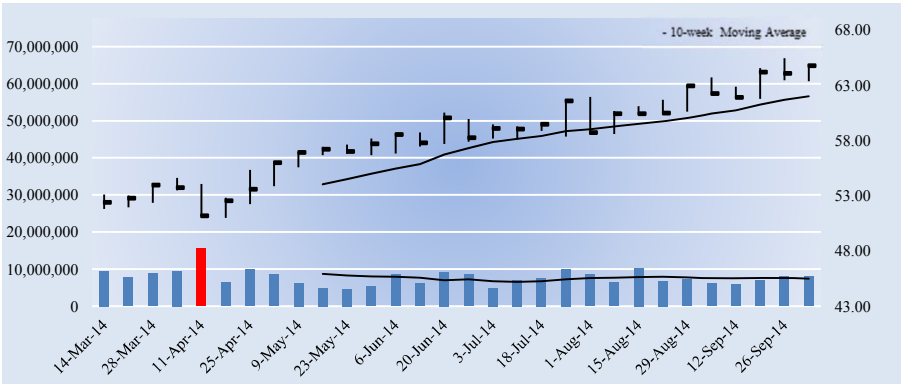
# Dr Pepper Snapple DPS FAIRLY VALUED

**Buying Index™** 7 **Value Rating**

| Economic Castle | Stock Fair Value Range | Dividend Track Record | Dividend Safety / Cushion™ | Div Growth Potential | Dividend Yield |
|---|---|---|---|---|---|
| Attractive | $46.00 - $70.00 | HEALTHY | GOOD / 2.3 | EXCELLENT | 2.53% |

**We've upgraded our opinion of Dr Pepper Snapple's dividend and now expect robust expansion in coming years.**

## Stock Chart (weekly)




## Key Dividend Considerations

| | |
|---|---|
| Current Annual Dividend Yield | **2.53%** |
| Annual Dividends per Share | **$1.64** |
| Initial Annual Div's Paid, $10k Investment | **$253.32** |
| Dividend Track Record | **HEALTHY** |
| Dividend Safety | **GOOD** |
| Valuentum Dividend Cushion™ | **2.3** |
| Dividend Growth Potential | **EXCELLENT** |
| Risk of Capital Loss | **MEDIUM** |
| ValueRisk™ (Equity Margin of Safety) | **LOW** |

The Valuentum Dividend Cushion is a ratio that compares the firm's excess cash and cash flow to its future dividend stream. A score above 1 indicates cash flow is sufficient to cover future dividends (higher is better).

## Dividend Strength

| Dividend Safety \ Dividend Growth | Very Poor | Poor | Good | Excellent |
|---|---|---|---|---|
| Excellent | | | | |
| Good | | | | |
| Poor | | | | |
| Very Poor | | | | |

Firms that have safe and growing dividends score at the top right of our scale.

## Company Vitals

| | |
|---|---|
| Market Cap (USD) | $13,239 |
| Avg Weekly Vol (30 wks) | 7,787 |
| 30-week Range (USD) | 50.98 - 65.43 |
| Valuentum Sector | Consumer Staples |
| Last Fiscal Year Revenue | 5,997 |
| Last Fiscal Year EPS | 3.05 |
| Last Fiscal Year EBITDA | 1,280 |
| Forward Revenue Growth (5-yr) | 2.2% |
| Forward EPS Growth (5-yr) | 10.5% |

## Dividend Vitals

| | |
|---|---|
| Current Annual Dividend Yield % | 2.5% |
| Annual Dividends Per Share | 1.64 |
| Forward Dividend Payout Ratio | 45.6% |
| 3-yr Historical Dividend CAGR | 10.7% |
| 15-yr Historical Dividend CAGR | NA |
| 3-yr Hist Median Div Payout Ratio | 45.9% |
| 15-yr Hist Median Div Payout Ratio | 0.0% |

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

## Initial Annual Income Per Investment ($)

| # of Shares | Investment ($) | Annual Div's ($) |
|---|---|---|
| 25 | 1,618.50 | 41.00 |
| 50 | 3,237.00 | 82.00 |
| 100 | 6,474.00 | 164.00 |
| 200 | 12,948.00 | 328.00 |
| 300 | 19,422.00 | 492.00 |
| 400 | 25,896.00 | 656.00 |
| 500 | 32,370.00 | 820.00 |
| 1,000 | 64,740.00 | 1,640.00 |
| 2,000 | 129,480.00 | 3,280.00 |
| 5,000 | 323,700.00 | 8,200.00 |
| 10,000 | 647,400.00 | 16,400.00 |
| 50,000 | 3,237,000.00 | 82,000.00 |
| 100,000 | 6,474,000.00 | 164,000.00 |

Initial annual income is based on the firm's current forward annual dividend yield and could be subject to change.

## Dividend Safety / Cushion — GOOD / 2.3

We assess the safety of a firm's dividend by adding the company's net cash to our forecast of its free cash flows over the next five years. We then divide that sum by the total expected dividends over the next five years. This process results in our Dividend Cushion™ ratio. A Dividend Cushion™ above 1 indicates a firm can cover its future dividends with net cash on hand and future free cash flow, while a score below 1 signals trouble may be on the horizon. And by extension, the greater the score, the safer the dividend, as excess cash can be used to offset any unexpected earnings shortfall. Dr Pepper Snapple scores a 2.3 on our Dividend Cushion™, which is GOOD.

## Dividend Growth Potential — EXCELLENT

We judge the future potential growth of the dividend by evaluating the capacity for future increases, as measured by the Dividend Cushion™, and management's willingness to consistently raise the dividend, as measured by the firm's dividend track record. Dr Pepper Snapple registers an EXCELLENT rating on our scale, and we think the firm's annual dividend will be $2.23 per share within the next several years.

## Risk of Capital Loss — MEDIUM

We assess the risk of capital loss based on our analysis of a firm's intrinsic value at this point in time. If the stock is undervalued (based on our DCF process), we think the risk of failing to recoup one's original capital investment (ex dividends) is relatively LOW. If the stock is fairly valued (it falls within our fair value estimate range), we think the likelihood of losing capital (ex dividends) is MEDIUM. If the stock is trading above our estimate of its intrinsic value, we think the likelihood of losing at least a portion of one's original investment (ex dividends) is HIGH. Dr Pepper Snapple registers a score of MEDIUM on our scale.

## Dividend Track Record — HEALTHY

| Fiscal Year | Div's/Share ($) | Div Growth % | EPS ($) | Payout Ratio |
|---|---|---|---|---|
| NA | NA | 0.0 | 0.00 | 0.0% |
| NA | NA | 0.0 | 0.00 | 0.0% |
| NA | NA | 0.0 | 0.00 | 0.0% |
| NA | NA | 0.0 | 0.00 | 0.0% |
| NA | NA | 0.0 | 0.00 | 0.0% |
| NA | NA | 0.0 | 0.00 | 0.0% |
| NA | NA | 0.0 | 0.00 | 0.0% |
| NA | NA | 0.0 | 2.01 | 0.0% |
| NA | NA | 0.0 | 1.79 | 0.0% |
| Dec-08 | 0.00 | 0.0 | -1.23 | 0.0% |
| Dec-09 | 0.00 | 0.0 | 2.17 | 0.0% |
| Dec-10 | 0.90 | 0.0 | 2.17 | 41.5% |
| Dec-11 | 1.21 | 34.4 | 2.74 | 44.2% |
| Dec-12 | 1.36 | 12.4 | 2.96 | 45.9% |
| Dec-13 | 1.52 | 11.8 | 3.05 | 49.8% |
| ***Dec-14*** | ***1.64*** | ***7.9*** | ***3.60*** | ***45.6%*** |
| *Dec-15* | *1.77* | *8.0* | *3.81* | *46.5%* |
| *Dec-16* | *1.91* | *8.0* | *4.17* | *45.9%* |
| *Dec-17* | *2.07* | *8.0* | *4.57* | *45.2%* |
| *Dec-18* | *2.23* | *8.0* | *5.04* | *44.3%* |

Light green shading denotes a dividend increase, while light red shading denotes a dividend decrease. Heavy green shading denotes a significant dividend increase, while heavy red shading denotes a significant dividend decrease or an excessive payout ratio. NA = Not Applicable.

To view our full 16-page equity report on Dr Pepper Snapple, please visit our website at www.valuentum.com



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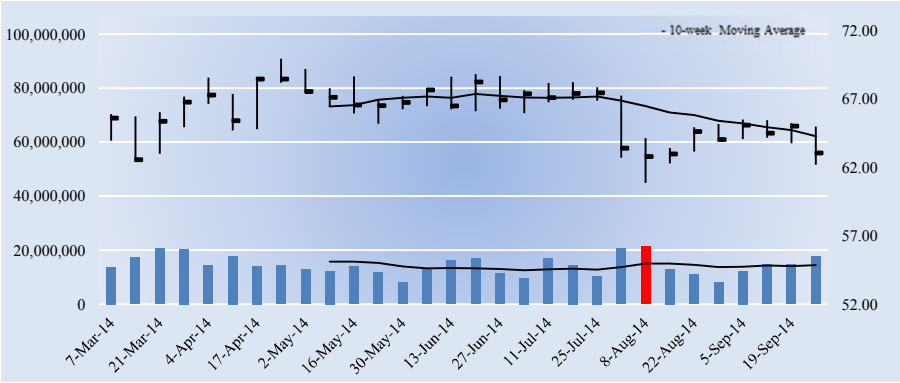
# Emerson Electric EMR FAIRLY VALUED

Buying Index™ 3 Value Rating

| Economic Castle | Stock Fair Value Range | Dividend Track Record | Dividend Safety / Cushion™ | Div Growth Potential | Dividend Yield |
|---|---|---|---|---|---|
| Attractive | $51.00 - $77.00 | HEALTHY | GOOD / 2.6 | EXCELLENT | 2.73% |

## We're huge fans of Emerson's dividend growth profile.

### Stock Chart (weekly)




### Key Dividend Considerations

| | |
|---|---|
| Current Annual Dividend Yield | **2.73%** |
| Annual Dividends per Share | **$1.72** |
| Initial Annual Div's Paid, $10k Investment | **$272.84** |
| Dividend Track Record | **HEALTHY** |
| Dividend Safety | **GOOD** |
| Valuentum Dividend Cushion™ | **2.6** |
| Dividend Growth Potential | **EXCELLENT** |
| Risk of Capital Loss | **MEDIUM** |
| ValueRisk™ (Equity Margin of Safety) | **LOW** |

The Valuentum Dividend Cushion is a ratio that compares the firm's excess cash and cash flow to its future dividend stream. A score above 1 indicates cash flow is sufficient to cover future dividends (higher is better).

### Dividend Strength

| Dividend Safety \ Dividend Growth | Very Poor | Poor | Good | Excellent |
|---|---|---|---|---|
| Excellent | | | | |
| Good | | | | ■ |
| Poor | | | | |
| Very Poor | | | | |

Firms that have safe and growing dividends score at the top right of our scale.

### Company Vitals

| | |
|---|---|
| Market Cap (USD) | $45,572 |
| Avg Weekly Vol (30 wks) | 14,470 |
| 30-week Range (USD) | 60.85 - 69.94 |
| Valuentum Sector | Industrials |
| Last Fiscal Year Revenue | 24,669 |
| Last Fiscal Year EPS | 2.77 |
| Last Fiscal Year EBITDA | 5,123 |
| Forward Revenue Growth (5-yr) | 3.1% |
| Forward EPS Growth (5-yr) | 13.6% |

### Dividend Vitals

| | |
|---|---|
| Current Annual Dividend Yield % | 2.7% |
| Annual Dividends Per Share | 1.72 |
| Forward Dividend Payout Ratio | 46.0% |
| 3-yr Historical Dividend CAGR | 7.6% |
| 15-yr Historical Dividend CAGR | 6.7% |
| 3-yr Hist Median Div Payout Ratio | 59.4% |
| 15-yr Hist Median Div Payout Ratio | 39.7% |

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

### Initial Annual Income Per Investment ($)

| # of Shares | Investment ($) | Annual Div's ($) |
|---|---|---|
| 25 | 1,576.00 | 43.00 |
| 50 | 3,152.00 | 86.00 |
| 100 | 6,304.00 | 172.00 |
| 200 | 12,608.00 | 344.00 |
| 300 | 18,912.00 | 516.00 |
| 400 | 25,216.00 | 688.00 |
| 500 | 31,520.00 | 860.00 |
| 1,000 | 63,040.00 | 1,720.00 |
| 2,000 | 126,080.00 | 3,440.00 |
| 5,000 | 315,200.00 | 8,600.00 |
| 10,000 | 630,400.00 | 17,200.00 |
| 50,000 | 3,152,000.00 | 86,000.00 |
| 100,000 | 6,304,000.00 | 172,000.00 |

Initial annual income is based on the firm's current forward annual dividend yield and could be subject to change.

### Dividend Safety / Cushion — GOOD / 2.6

We assess the safety of a firm's dividend by adding the company's net cash to our forecast of its free cash flows over the next five years. We then divide that sum by the total expected dividends over the next five years. This process results in our Dividend Cushion™ ratio. A Dividend Cushion™ above 1 indicates a firm can cover its future dividends with net cash on hand and future free cash flow, while a score below 1 signals trouble may be on the horizon. And by extension, the greater the score, the safer the dividend, as excess cash can be used to offset any unexpected earnings shortfall. Emerson Electric scores a 2.6 on our Dividend Cushion™, which is GOOD.

### Dividend Growth Potential — EXCELLENT

We judge the future potential growth of the dividend by evaluating the capacity for future increases, as measured by the Dividend Cushion™, and management's willingness to consistently raise the dividend, as measured by the firm's dividend track record. Emerson Electric registers an EXCELLENT rating on our scale, and we think the firm's annual dividend will be $2.09 per share within the next several years.

### Risk of Capital Loss — MEDIUM

We assess the risk of capital loss based on our analysis of a firm's intrinsic value at this point in time. If the stock is undervalued (based on our DCF process), we think the risk of failing to recoup one's original capital investment (ex dividends) is relatively LOW. If the stock is fairly valued (it falls within our fair value estimate range), we think the likelihood of losing capital (ex dividends) is MEDIUM. If the stock is trading above our estimate of its intrinsic value, we think the likelihood of losing at least a portion of one's original investment (ex dividends) is HIGH. Emerson Electric registers a score of MEDIUM on our scale.

### Dividend Track Record — HEALTHY

| Fiscal Year | Div's/Share ($) | Div Growth % | EPS ($) | Payout Ratio |
|---|---|---|---|---|
| Sep-99 | 0.65 | 0.0 | 3.00 | 21.7% |
| Sep-00 | 0.72 | 10.0 | 3.30 | 21.7% |
| Sep-01 | 0.77 | 7.0 | 2.40 | 31.9% |
| Sep-02 | 0.78 | 1.3 | 2.52 | 30.8% |
| Sep-03 | 0.79 | 1.3 | 2.41 | 32.6% |
| Sep-04 | 0.80 | 1.9 | 1.49 | 53.7% |
| Sep-05 | 0.83 | 3.7 | 1.70 | 48.8% |
| Sep-06 | 0.89 | 7.2 | 2.24 | 39.7% |
| Sep-07 | 1.05 | 18.0 | 2.66 | 39.5% |
| Sep-08 | 1.20 | 14.3 | 3.11 | 38.6% |
| Sep-09 | 1.32 | 10.0 | 2.27 | 58.1% |
| Sep-10 | 1.34 | 1.5 | 2.60 | 51.5% |
| Sep-11 | 1.38 | 3.0 | 3.24 | 42.6% |
| Sep-12 | 1.60 | 15.9 | 2.67 | 59.9% |
| Sep-13 | 1.64 | 2.5 | 2.76 | 59.4% |
| ***Sep-14*** | ***1.72*** | ***4.9*** | ***3.74*** | ***46.0%*** |
| *Sep-15* | *1.81* | *5.0* | *4.16* | *43.4%* |
| *Sep-16* | *1.90* | *5.0* | *4.53* | *41.9%* |
| *Sep-17* | *1.99* | *5.0* | *4.90* | *40.6%* |
| *Sep-18* | *2.09* | *5.0* | *5.24* | *39.9%* |

Light green shading denotes a dividend increase, while light red shading denotes a dividend decrease. Heavy green shading denotes a significant dividend increase, while heavy red shading denotes a significant dividend decrease or an excessive payout ratio. NA = Not Applicable.

To view our full 16-page equity report on Emerson Electric, please visit our website at www.valuentum.com



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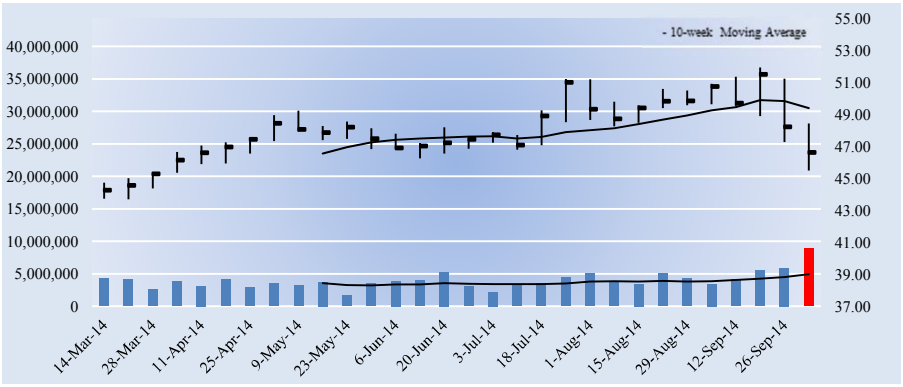
# Enbridge ENB FAIRLY VALUED

**Buying Index™** 4 **Value Rating**

| Economic Castle | Stock Fair Value Range | Dividend Track Record (in USD) | Dividend Safety / Cushion™ | Div Growth Potential | Dividend Yield |
|---|---|---|---|---|---|
| Neutral | $33.00 - $55.00 | HEALTHY | GOOD / 2.6 | EXCELLENT | 2.75% |

## Enbridge first starting paying distributions in 1953.

### Stock Chart (weekly)




### Key Dividend Considerations

| | |
|---|---|
| Current Annual Dividend Yield | **2.75%** |
| Annual Dividends per Share | **$1.28** |
| Initial Annual Div's Paid, $10k Investment | **$274.56** |
| Dividend Track Record | **HEALTHY** |
| Dividend Safety | **GOOD** |
| Valuentum Dividend Cushion™ | **2.6** |
| Dividend Growth Potential | **EXCELLENT** |
| Risk of Capital Loss | **MEDIUM** |
| ValueRisk™ (Equity Margin of Safety) | **MEDIUM** |

The Valuentum Dividend Cushion is a ratio that compares the firm's excess cash and cash flow to its future dividend stream. A score above 1 indicates cash flow is sufficient to cover future dividends (higher is better).

### Dividend Strength

| Dividend Safety \ Dividend Growth | Very Poor | Poor | Good | Excellent |
|---|---|---|---|---|
| Excellent | | | | |
| Good | | | | |
| Poor | | | | |
| Very Poor | | | | |

Firms that have safe and growing dividends score at the top right of our scale.

### Company Vitals

| | |
|---|---|
| Market Cap (USD) | $38,089 |
| Avg Weekly Vol (30 wks) | 3,981 |
| 30-week Range (USD) | 43.7 - 51.95 |
| Valuentum Sector | Energy |
| Last Fiscal Year Revenue | 30,916 |
| Last Fiscal Year EPS | 0.72 |
| Last Fiscal Year EBITDA | 2,909 |
| Forward Revenue Growth (5-yr) | 4.2% |
| Forward EPS Growth (5-yr) | 34.6% |

### Dividend Vitals

| | |
|---|---|
| Current Annual Dividend Yield % | 2.7% |
| Annual Dividends Per Share | 1.28 |
| Forward Dividend Payout Ratio | 66.4% |
| 3-yr Historical Dividend CAGR | 20.0% |
| 15-yr Historical Dividend CAGR | NA |
| 3-yr Hist Median Div Payout Ratio | 109.0% |
| 15-yr Hist Median Div Payout Ratio | 19.5% |

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

### Initial Annual Income Per Investment ($)

| # of Shares | Investment ($) | Annual Div's ($) |
|---|---|---|
| 25 | 1,165.50 | 32.00 |
| 50 | 2,331.00 | 64.00 |
| 100 | 4,662.00 | 128.00 |
| 200 | 9,324.00 | 256.00 |
| 300 | 13,986.00 | 384.00 |
| 400 | 18,648.00 | 512.00 |
| 500 | 23,310.00 | 640.00 |
| 1,000 | 46,620.00 | 1,280.00 |
| 2,000 | 93,240.00 | 2,560.00 |
| 5,000 | 233,100.00 | 6,400.00 |
| 10,000 | 466,200.00 | 12,800.00 |
| 50,000 | 2,331,000.00 | 64,000.00 |
| 100,000 | 4,662,000.00 | 128,000.00 |

Initial annual income is based on the firm's current forward annual dividend yield and could be subject to change.

### Dividend Safety / Cushion — GOOD / 2.6

We assess the safety of a firm's dividend by adding the company's net cash to our forecast of its free cash flows over the next five years. We then divide that sum by the total expected dividends over the next five years. This process results in our Dividend Cushion™ ratio. A Dividend Cushion™ above 1 indicates a firm can cover its future dividends with net cash on hand and future free cash flow, while a score below 1 signals trouble may be on the horizon. And by extension, the greater the score, the safer the dividend, as excess cash can be used to offset any unexpected earnings shortfall. Enbridge scores a 2.6 on our Dividend Cushion™, which is GOOD.

### Dividend Growth Potential — EXCELLENT

We judge the future potential growth of the dividend by evaluating the capacity for future increases, as measured by the Dividend Cushion™, and management's willingness to consistently raise the dividend, as measured by the firm's dividend track record. Enbridge registers an EXCELLENT rating on our scale, and we think the firm's annual dividend will be $2.04 per share within the next several years.

### Risk of Capital Loss — MEDIUM

We assess the risk of capital loss based on our analysis of a firm's intrinsic value at this point in time. If the stock is undervalued (based on our DCF process), we think the risk of failing to recoup one's original capital investment (ex dividends) is relatively LOW. If the stock is fairly valued (it falls within our fair value estimate range), we think the likelihood of losing capital (ex dividends) is MEDIUM. If the stock is trading above our estimate of its intrinsic value, we think the likelihood of losing at least a portion of one's original investment (ex dividends) is HIGH. Enbridge registers a score of MEDIUM on our scale.

### Dividend Track Record (in USD) — HEALTHY

| Fiscal Year | Div's/Share ($) | Div Growth % | EPS ($) | Payout Ratio |
|---|---|---|---|---|
| NA | NA | 0.0 | 0.66 | 0.0% |
| Dec-00 | NA | 0.0 | 0.85 | 0.0% |
| Dec-01 | NA | 0.0 | 0.82 | 0.0% |
| Dec-02 | NA | 0.0 | 0.65 | 0.0% |
| Dec-03 | NA | 0.0 | 1.55 | 0.0% |
| Dec-04 | NA | 0.0 | 1.60 | 0.0% |
| Dec-05 | NA | 0.0 | 1.40 | 0.0% |
| Dec-06 | 0.46 | 0.0 | 1.54 | 29.7% |
| Dec-07 | 0.52 | 13.7 | 1.96 | 26.5% |
| Dec-08 | 0.58 | 10.6 | 2.95 | 19.5% |
| Dec-09 | 0.62 | 7.0 | 2.03 | 30.3% |
| Dec-10 | 0.66 | 7.3 | 1.29 | 51.2% |
| Dec-11 | 0.74 | 12.1 | 1.28 | 57.8% |
| Dec-12 | 0.85 | 14.9 | 0.78 | 109.0% |
| Dec-13 | 0.98 | 15.3 | 0.52 | 188.5% |
| ***Dec-14*** | ***1.28*** | ***30.6*** | ***1.93*** | ***66.4%*** |
| *Dec-15* | *1.54* | *20.0* | *2.28* | *67.3%* |
| *Dec-16* | *1.77* | *15.0* | *2.53* | *69.7%* |
| *Dec-17* | *1.94* | *10.0* | *2.83* | *68.8%* |
| *Dec-18* | *2.04* | *5.0* | *3.18* | *64.3%* |

Light green shading denotes a dividend increase, while light red shading denotes a dividend decrease. Heavy green shading denotes a significant dividend increase, while heavy red shading denotes a significant dividend decrease or an excessive payout ratio. NA = Not Applicable.

To view our full 16-page equity report on Enbridge, please visit our website at www.valuentum.com



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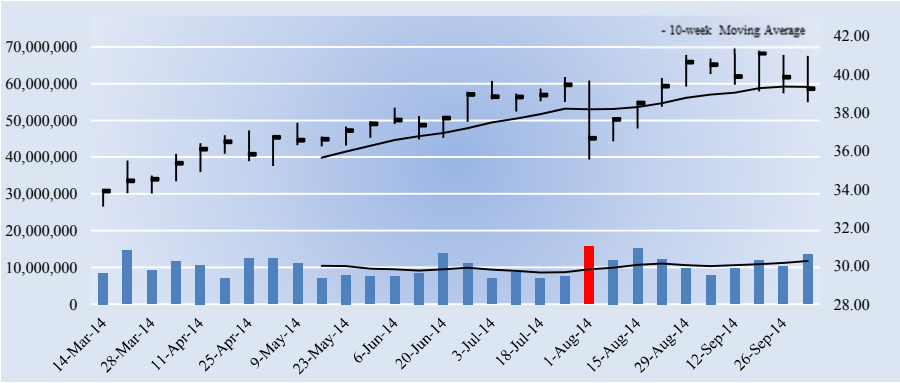
# Enterprise Product Partners EPD FAIRLY VALUED

**Buying Index™** 3 **Value Rating**

| Economic Castle | Stock Fair Value Range | Dividend Track Record | Dividend Safety / Cushion™ | Div Growth Potential | Dividend Yield |
|---|---|---|---|---|---|
| Attractive | $29.00 - $48.00 | HEALTHY | EXCELLENT / 3.3 | EXCELLENT | 3.67% |

**Enterprise Product Partners has raised its distribution in each of the past ~40 quarters.**

## Stock Chart (weekly)




## Company Vitals

| | |
|---|---|
| Market Cap (USD) | $72,304 |
| Avg Weekly Vol (30 wks) | 10,304 |
| 30-week Range (USD) | 33.095 - 41.38 |
| Valuentum Sector | Energy |
| Last Fiscal Year Revenue | 47,727 |
| Last Fiscal Year EPS | 1.41 |
| Last Fiscal Year EBITDA | 4,518 |
| Forward Revenue Growth (5-yr) | 6.9% |
| Forward EPS Growth (5-yr) | 9.8% |

## Dividend Vitals

| | |
|---|---|
| Current Annual Dividend Yield % | 3.7% |
| Annual Dividends Per Share | 1.44 |
| Forward Dividend Payout Ratio | 92.0% |
| 3-yr Historical Dividend CAGR | 6.1% |
| 15-yr Historical Dividend CAGR | 10.1% |
| 3-yr Hist Median Div Payout Ratio | 47.9% |
| 15-yr Hist Median Div Payout Ratio | 62.7% |

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

## Initial Annual Income Per Investment ($)

| # of Shares | Investment ($) | Annual Div's ($) |
|---|---|---|
| 25 | 981.00 | 36.00 |
| 50 | 1,962.00 | 72.00 |
| 100 | 3,924.00 | 144.00 |
| 200 | 7,848.00 | 288.00 |
| 300 | 11,772.00 | 432.00 |
| 400 | 15,696.00 | 576.00 |
| 500 | 19,620.00 | 720.00 |
| 1,000 | 39,240.00 | 1,440.00 |
| 2,000 | 78,480.00 | 2,880.00 |
| 5,000 | 196,200.00 | 7,200.00 |
| 10,000 | 392,400.00 | 14,400.00 |
| 50,000 | 1,962,000.00 | 72,000.00 |
| 100,000 | 3,924,000.00 | 144,000.00 |

Initial annual income is based on the firm's current forward annual dividend yield and could be subject to change.

## Dividend Safety / Cushion — EXCELLENT / 3.3

We assess the safety of a firm's dividend by adding the company's net cash to our forecast of its free cash flows over the next five years. We then divide that sum by the total expected dividends over the next five years. This process results in our Dividend Cushion™ ratio. A Dividend Cushion™ above 1 indicates a firm can cover its future dividends with net cash on hand and future free cash flow, while a score below 1 signals trouble may be on the horizon. And by extension, the greater the score, the safer the dividend, as excess cash can be used to offset any unexpected earnings shortfall. Enterprise Product Partners scores a 3.3 on our Dividend Cushion™, which is EXCELLENT.

## Dividend Growth Potential — EXCELLENT

We judge the future potential growth of the dividend by evaluating the capacity for future increases, as measured by the Dividend Cushion™, and management's willingness to consistently raise the dividend, as measured by the firm's dividend track record. Enterprise Product Partners registers an EXCELLENT rating on our scale, and we think the firm's annual dividend will be $1.75 per share within the next several years.

## Risk of Capital Loss — MEDIUM

We assess the risk of capital loss based on our analysis of a firm's intrinsic value at this point in time. If the stock is undervalued (based on our DCF process), we think the risk of failing to recoup one's original capital investment (ex dividends) is relatively LOW. If the stock is fairly valued (it falls within our fair value estimate range), we think the likelihood of losing capital (ex dividends) is MEDIUM. If the stock is trading above our estimate of its intrinsic value, we think the likelihood of losing at least a portion of one's original investment (ex dividends) is HIGH. Enterprise Product Partners registers a score of MEDIUM on our scale.

## Key Dividend Considerations

| | |
|---|---|
| Current Annual Dividend Yield | **3.67%** |
| Annual Dividends per Share | **$1.44** |
| Initial Annual Div's Paid, $10k Investment | **$366.97** |
| Dividend Track Record | **HEALTHY** |
| Dividend Safety | **EXCELLENT** |
| Valuentum Dividend Cushion™ | **3.3** |
| Dividend Growth Potential | **EXCELLENT** |
| Risk of Capital Loss | **MEDIUM** |
| ValueRisk™ (Equity Margin of Safety) | **MEDIUM** |

The Valuentum Dividend Cushion is a ratio that compares the firm's excess cash and cash flow to its future dividend stream. A score above 1 indicates cash flow is sufficient to cover future dividends (higher is better).

## Dividend Strength

| Dividend Safety \ Dividend Growth | Very Poor | Poor | Good | Excellent |
|---|---|---|---|---|
| Excellent | | | | |
| Good | | | | |
| Poor | | | | |
| Very Poor | | | | |

Firms that have safe and growing dividends score at the top right of our scale.

## Dividend Track Record — HEALTHY

| Fiscal Year | Div's/Share ($) | Div Growth % | EPS ($) | Payout Ratio |
|---|---|---|---|---|
| NA | 0.34 | 0.0 | 0.82 | 0.0% |
| Dec-00 | 0.52 | 51.5 | 1.32 | 39.0% |
| Dec-01 | 0.58 | 12.6 | 1.39 | 41.7% |
| Dec-02 | 0.67 | 14.7 | 0.48 | 138.5% |
| Dec-03 | 0.72 | 8.3 | 0.41 | 175.6% |
| Dec-04 | 0.76 | 4.9 | 0.97 | 77.8% |
| Dec-05 | 0.83 | 9.9 | 0.92 | 90.2% |
| Dec-06 | 0.90 | 8.4 | 1.22 | 73.8% |
| Dec-07 | 0.96 | 6.7 | 0.96 | 100.0% |
| Dec-08 | 1.03 | 6.8 | 1.85 | 55.4% |
| Dec-09 | 1.09 | 5.9 | 1.73 | 62.7% |
| Dec-10 | 1.15 | 5.5 | 1.15 | 99.6% |
| Dec-11 | 1.21 | 5.2 | 2.38 | 50.6% |
| Dec-12 | 1.27 | 5.0 | 2.71 | 46.7% |
| Dec-13 | 1.35 | 6.7 | 2.82 | 47.9% |
| ***Dec-14*** | ***1.44*** | ***6.7*** | ***1.57*** | ***92.0%*** |
| *Dec-15* | *1.51* | *5.0* | *1.67* | *90.7%* |
| *Dec-16* | *1.59* | *5.0* | *1.89* | *84.0%* |
| *Dec-17* | *1.67* | *5.0* | *2.09* | *79.9%* |
| *Dec-18* | *1.75* | *5.0* | *2.25* | *77.7%* |

Light green shading denotes a dividend increase, while light red shading denotes a dividend decrease. Heavy green shading denotes a significant dividend increase, while heavy red shading denotes a significant dividend decrease or an excessive payout ratio. NA = Not Applicable.

To view our full 16-page equity report on Enterprise Product Partners, please visit our website at www.valuentum.com



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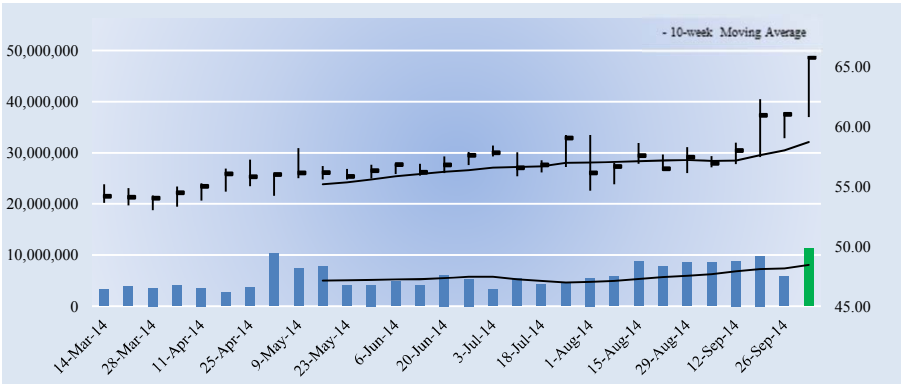
# Energy Transfer Partners ETP FAIRLY VALUED

**Buying Index™** 7 **Value Rating**

| Economic Castle | Stock Fair Value Range | Dividend Track Record | Dividend Safety / Cushion™ | Div Growth Potential | Dividend Yield |
|---|---|---|---|---|---|
| Neutral | $54.00 - $80.00 | HEALTHY | GOOD / 2.5 | GOOD | 5.81% |

## Energy Transfer Partners' distribution has returned to growth.

### Stock Chart (weekly)




### Key Dividend Considerations

| | |
|---|---|
| Current Annual Dividend Yield | **5.81%** |
| Annual Dividends per Share | **$3.82** |
| Initial Annual Div's Paid, $10k Investment | **$580.81** |
| Dividend Track Record | **HEALTHY** |
| Dividend Safety | **GOOD** |
| Valuentum Dividend Cushion™ | **2.5** |
| Dividend Growth Potential | **GOOD** |
| Risk of Capital Loss | **MEDIUM** |
| ValueRisk™ (Equity Margin of Safety) | **LOW** |

The Valuentum Dividend Cushion is a ratio that compares the firm's excess cash and cash flow to its future dividend stream. A score above 1 indicates cash flow is sufficient to cover future dividends (higher is better).

### Dividend Strength

| Dividend Safety \ Dividend Growth | Very Poor | Poor | Good | Excellent |
|---|---|---|---|---|
| Excellent | | | | |
| Good | | | ■ | |
| Poor | | | | |
| Very Poor | | | | |

Firms that have safe and growing dividends score at the top right of our scale.

### Company Vitals

| | |
|---|---|
| Market Cap (USD) | $22,585 |
| Avg Weekly Vol (30 wks) | 5,897 |
| 30-week Range (USD) | 53.01 - 65.82 |
| Valuentum Sector | Energy |
| Last Fiscal Year Revenue | 46,339 |
| Last Fiscal Year EPS | 1.23 |
| Last Fiscal Year EBITDA | 3,182 |
| Forward Revenue Growth (5-yr) | 6.9% |
| Forward EPS Growth (5-yr) | 29.2% |

### Dividend Vitals

| | |
|---|---|
| Current Annual Dividend Yield % | 5.8% |
| Annual Dividends Per Share | 3.82 |
| Forward Dividend Payout Ratio | 124.8% |
| 3-yr Historical Dividend CAGR | 2.2% |
| 15-yr Historical Dividend CAGR | NA |
| 3-yr Hist Median Div Payout Ratio | 73.0% |
| 15-yr Hist Median Div Payout Ratio | 100.6% |

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

### Initial Annual Income Per Investment ($)

| # of Shares | Investment ($) | Annual Div's ($) |
|---|---|---|
| 25 | 1,644.25 | 95.50 |
| 50 | 3,288.50 | 191.00 |
| 100 | 6,577.00 | 382.00 |
| 200 | 13,154.00 | 764.00 |
| 300 | 19,731.00 | 1,146.00 |
| 400 | 26,308.00 | 1,528.00 |
| 500 | 32,885.00 | 1,910.00 |
| 1,000 | 65,770.00 | 3,820.00 |
| 2,000 | 131,540.00 | 7,640.00 |
| 5,000 | 328,850.00 | 19,100.00 |
| 10,000 | 657,700.00 | 38,200.00 |
| 50,000 | 3,288,500.00 | 191,000.00 |
| 100,000 | 6,577,000.00 | 382,000.00 |

Initial annual income is based on the firm's current forward annual dividend yield and could be subject to change.

### Dividend Safety / Cushion — GOOD / 2.5

We assess the safety of a firm's dividend by adding the company's net cash to our forecast of its free cash flows over the next five years. We then divide that sum by the total expected dividends over the next five years. This process results in our Dividend Cushion™ ratio. A Dividend Cushion™ above 1 indicates a firm can cover its future dividends with net cash on hand and future free cash flow, while a score below 1 signals trouble may be on the horizon. And by extension, the greater the score, the safer the dividend, as excess cash can be used to offset any unexpected earnings shortfall. Energy Transfer Partners scores a 2.5 on our Dividend Cushion™, which is GOOD.

### Dividend Growth Potential — GOOD

We judge the future potential growth of the dividend by evaluating the capacity for future increases, as measured by the Dividend Cushion™, and management's willingness to consistently raise the dividend, as measured by the firm's dividend track record. Energy Transfer Partners registers an GOOD rating on our scale, and we think the firm's annual dividend will be $4.47 per share within the next several years.

### Risk of Capital Loss — MEDIUM

We assess the risk of capital loss based on our analysis of a firm's intrinsic value at this point in time. If the stock is undervalued (based on our DCF process), we think the risk of failing to recoup one's original capital investment (ex dividends) is relatively LOW. If the stock is fairly valued (it falls within our fair value estimate range), we think the likelihood of losing capital (ex dividends) is MEDIUM. If the stock is trading above our estimate of its intrinsic value, we think the likelihood of losing at least a portion of one's original investment (ex dividends) is HIGH. Energy Transfer Partners registers a score of MEDIUM on our scale.

### Dividend Track Record — HEALTHY

| Fiscal Year | Div's/Share ($) | Div Growth % | EPS ($) | Payout Ratio |
|---|---|---|---|---|
| NA | NA | 0.0 | 0.56 | 0.0% |
| Aug-00 | 1.13 | 0.0 | 0.33 | 342.4% |
| Aug-01 | 1.19 | 5.3 | 0.71 | 167.6% |
| Aug-02 | 1.27 | 6.7 | 0.13 | 976.9% |
| Aug-03 | 1.28 | 0.8 | 0.90 | 142.2% |
| Aug-04 | 1.38 | 7.8 | 1.73 | 79.8% |
| Aug-05 | 1.80 | 30.4 | 1.79 | 100.6% |
| Aug-06 | 1.80 | 0.0 | 3.15 | 57.1% |
| Aug-07 | 1.80 | 0.0 | 3.31 | 54.4% |
| Dec-08 | 2.00 | 11.1 | 3.74 | 53.5% |
| Dec-09 | 3.00 | 50.0 | 2.53 | 118.6% |
| Dec-10 | 3.38 | 12.5 | 1.19 | 283.6% |
| Dec-11 | 3.58 | 5.9 | 3.35 | 106.7% |
| Dec-12 | 3.58 | 0.0 | 4.90 | 73.0% |
| Dec-13 | 3.58 | 0.0 | -0.23 | -1554.3% |
| ***Dec-14*** | ***3.82*** | ***6.9*** | ***3.06*** | ***124.8%*** |
| *Dec-15* | *3.97* | *4.0* | *3.14* | *126.5%* |
| *Dec-16* | *4.13* | *4.0* | *3.64* | *113.6%* |
| *Dec-17* | *4.30* | *4.0* | *4.07* | *105.7%* |
| *Dec-18* | *4.47* | *4.0* | *4.43* | *100.8%* |

Light green shading denotes a dividend increase, while light red shading denotes a dividend decrease. Heavy green shading denotes a significant dividend increase, while heavy red shading denotes a significant dividend decrease or an excessive payout ratio. NA = Not Applicable.

To view our full 16-page equity report on Energy Transfer Partners, please visit our website at www.valuentum.com



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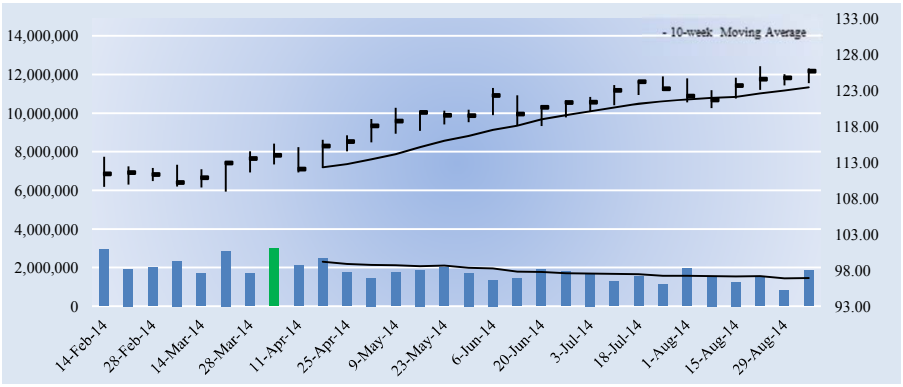
# Federal Realty FRT OVERVALUED 4.5%

**Buying Index™** 4 **Value Rating** ✗

| Economic Castle | Stock Fair Value Range | Dividend Track Record | Dividend Safety / Cushion™ | Div Growth Potential | Dividend Yield |
|---|---|---|---|---|---|
| Attractive | $80.00 - $120.00 | HEALTHY | GOOD / 1.7 | GOOD | 2.48% |

**Federal Realty has increased its annual dividend for more than 45 consecutive years, the longest of any REIT.**

## Stock Chart (weekly)




## Key Dividend Considerations

| | |
|---|---|
| Current Annual Dividend Yield | **2.48%** |
| Annual Dividends per Share | **$3.12** |
| Initial Annual Div's Paid, $10k Investment | **$248.17** |
| Dividend Track Record | **HEALTHY** |
| Dividend Safety | **GOOD** |
| Valuentum Dividend Cushion™ | **1.7** |
| Dividend Growth Potential | **GOOD** |
| Risk of Capital Loss | **HIGH** |
| ValueRisk™ (Equity Margin of Safety) | **LOW** |

The Valuentum Dividend Cushion is a ratio that compares the firm's excess cash and cash flow to its future dividend stream. A score above 1 indicates cash flow is sufficient to cover future dividends (higher is better).

## Dividend Strength

| Dividend Safety \ Dividend Growth | Very Poor | Poor | Good | Excellent |
|---|---|---|---|---|
| Excellent | | | | |
| Good | | | ■ | |
| Poor | | | | |
| Very Poor | | | | |

Firms that have safe and growing dividends score at the top right of our scale.

## Company Vitals

| | |
|---|---|
| Market Cap (USD) | $8,233 |
| Avg Weekly Vol (30 wks) | 1,821 |
| 30-week Range (USD) | 108.92 - 126.4 |
| Valuentum Sector | Financials |
| Last Fiscal Year Revenue | 637 |
| Last Fiscal Year EPS | 2.03 |
| Last Fiscal Year EBITDA | 415 |
| Forward Revenue Growth (5-yr) | 6.4% |
| Forward EPS Growth (5-yr) | 27.2% |

## Dividend Vitals

| | |
|---|---|
| Current Annual Dividend Yield % | 2.5% |
| Annual Dividends Per Share | 3.12 |
| Forward Dividend Payout Ratio | 62.7% |
| 3-yr Historical Dividend CAGR | 4.7% |
| 15-yr Historical Dividend CAGR | 3.9% |
| 3-yr Hist Median Div Payout Ratio | 136.7% |
| 15-yr Hist Median Div Payout Ratio | 148.7% |

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

## Initial Annual Income Per Investment ($)

| # of Shares | Investment ($) | Annual Div's ($) |
|---|---|---|
| 25 | 3,143.00 | 78.00 |
| 50 | 6,286.00 | 156.00 |
| 100 | 12,572.00 | 312.00 |
| 200 | 25,144.00 | 624.00 |
| 300 | 37,716.00 | 936.00 |
| 400 | 50,288.00 | 1,248.00 |
| 500 | 62,860.00 | 1,560.00 |
| 1,000 | 125,720.00 | 3,120.00 |
| 2,000 | 251,440.00 | 6,240.00 |
| 5,000 | 628,600.00 | 15,600.00 |
| 10,000 | 1,257,200.00 | 31,200.00 |
| 50,000 | 6,286,000.00 | 156,000.00 |
| 100,000 | 12,572,000 | 312,000.00 |

Initial annual income is based on the firm's current forward annual dividend yield and could be subject to change.

## Dividend Safety / Cushion — GOOD / 1.7

We assess the safety of a firm's dividend by adding the company's net cash to our forecast of its free cash flows over the next five years. We then divide that sum by the total expected dividends over the next five years. This process results in our Dividend Cushion™ ratio. A Dividend Cushion™ above 1 indicates a firm can cover its future dividends with net cash on hand and future free cash flow, while a score below 1 signals trouble may be on the horizon. And by extension, the greater the score, the safer the dividend, as excess cash can be used to offset any unexpected earnings shortfall. Federal Realty scores a 1.7 on our Dividend Cushion™, which is GOOD.

## Dividend Growth Potential — GOOD

We judge the future potential growth of the dividend by evaluating the capacity for future increases, as measured by the Dividend Cushion™, and management's willingness to consistently raise the dividend, as measured by the firm's dividend track record. Federal Realty registers an GOOD rating on our scale, and we think the firm's annual dividend will be $3.79 per share within the next several years.

## Risk of Capital Loss — HIGH

We assess the risk of capital loss based on our analysis of a firm's intrinsic value at this point in time. If the stock is undervalued (based on our DCF process), we think the risk of failing to recoup one's original capital investment (ex dividends) is relatively LOW. If the stock is fairly valued (it falls within our fair value estimate range), we think the likelihood of losing capital (ex dividends) is MEDIUM. If the stock is trading above our estimate of its intrinsic value, we think the likelihood of losing at least a portion of one's original investment (ex dividends) is HIGH. Federal Realty registers a score of HIGH on our scale.

## Dividend Track Record — HEALTHY

| Fiscal Year | Div's/Share ($) | Div Growth % | EPS ($) | Payout Ratio |
|---|---|---|---|---|
| Dec-99 | 1.77 | 0.0 | 1.19 | 148.7% |
| Dec-00 | 1.82 | 2.8 | 1.26 | 144.4% |
| Dec-01 | 1.89 | 3.8 | 1.52 | 124.3% |
| Dec-02 | 1.93 | 2.1 | 0.60 | 321.7% |
| Dec-03 | 1.95 | 1.0 | 1.15 | 169.6% |
| Dec-04 | 1.98 | 1.5 | 1.12 | 176.8% |
| Dec-05 | 2.32 | 17.2 | 1.39 | 166.9% |
| Dec-06 | 2.33 | 0.4 | 1.48 | 157.4% |
| Dec-07 | 2.34 | 0.4 | 1.70 | 137.6% |
| Dec-08 | 2.48 | 6.0 | 1.95 | 127.2% |
| Dec-09 | 2.62 | 5.6 | 1.60 | 163.8% |
| Dec-10 | 2.66 | 1.5 | 1.96 | 135.7% |
| Dec-11 | 2.72 | 2.3 | 1.99 | 136.7% |
| Dec-12 | 2.84 | 4.4 | 2.16 | 131.5% |
| Dec-13 | 3.02 | 6.3 | 2.00 | 151.0% |
| ***Dec-14*** | ***3.12*** | ***3.3*** | ***4.98*** | ***62.7%*** |
| *Jan-16* | *3.28* | *5.0* | *5.40* | *60.6%* |
| *Dec-16* | *3.44* | *5.0* | *5.84* | *58.9%* |
| *Dec-17* | *3.61* | *5.0* | *6.29* | *57.4%* |
| *Dec-18* | *3.79* | *5.0* | *6.77* | *56.0%* |

Light green shading denotes a dividend increase, while light red shading denotes a dividend decrease. Heavy green shading denotes a significant dividend increase, while heavy red shading denotes a significant dividend decrease or an excessive payout ratio. NA = Not Applicable.

To view our full 16-page equity report on Federal Realty, please visit our website at www.valuentum.com



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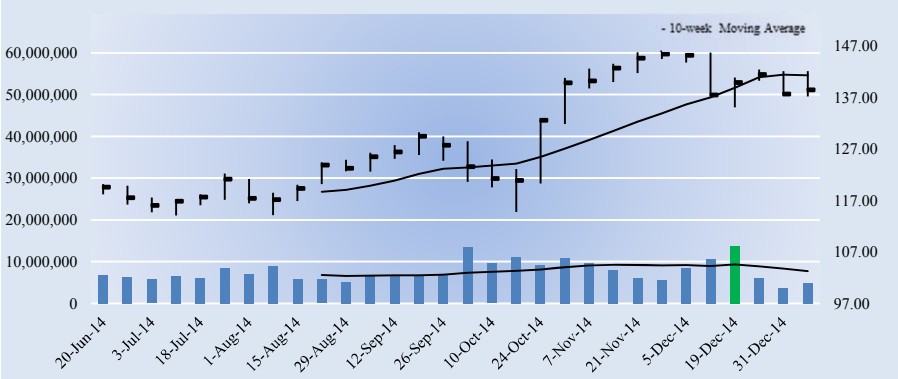
# General Dynamics GD FAIRLY VALUED

**Buying Index™** 3 **Value Rating**

| Economic Castle | Stock Fair Value Range | Dividend Track Record | Dividend Safety / Cushion™ | Div Growth Potential | Dividend Yield |
|---|---|---|---|---|---|
| Very Attractive | $98.00 - $146.00 | HEALTHY | EXCELLENT / 3.6 | EXCELLENT | 1.79% |

## General Dynamics' dividend strength is remarkable.

### Stock Chart (weekly)




### Key Dividend Considerations

| | |
|---|---|
| Current Annual Dividend Yield | **1.79%** |
| Annual Dividends per Share | **$2.48** |
| Initial Annual Div's Paid, $10k Investment | **$179.13** |
| Dividend Track Record | **HEALTHY** |
| Dividend Safety | **EXCELLENT** |
| Valuentum Dividend Cushion™ | **3.6** |
| Dividend Growth Potential | **EXCELLENT** |
| Risk of Capital Loss | **MEDIUM** |
| ValueRisk™ (Equity Margin of Safety) | **LOW** |

The Valuentum Dividend Cushion is a ratio that compares the firm's excess cash and cash flow to its future dividend stream. A score above 1 indicates cash flow is sufficient to cover future dividends (higher is better).

### Dividend Strength

| Dividend Safety \ Dividend Growth | Very Poor | Poor | Good | Excellent |
|---|---|---|---|---|
| Excellent | | | | |
| Good | | | | |
| Poor | | | | |
| Very Poor | | | | |

Firms that have safe and growing dividends score at the top right of our scale.

### Company Vitals

| | |
|---|---|
| Market Cap (USD) | $48,942 |
| Avg Weekly Vol (30 wks) | 7,720 |
| 30-week Range (USD) | 114.04 - 146.13 |
| Valuentum Sector | Industrials |
| Last Fiscal Year Revenue | 31,218 |
| Last Fiscal Year EPS | 7.03 |
| Last Fiscal Year EBITDA | 4,241 |
| Forward Revenue Growth (5-yr) | 1.5% |
| Forward EPS Growth (5-yr) | 9.0% |

### Dividend Vitals

| | |
|---|---|
| Current Annual Dividend Yield % | 1.8% |
| Annual Dividends Per Share | 2.48 |
| Forward Dividend Payout Ratio | 31.7% |
| 3-yr Historical Dividend CAGR | 9.7% |
| 15-yr Historical Dividend CAGR | NA |
| 3-yr Hist Median Div Payout Ratio | 27.1% |
| 15-yr Hist Median Div Payout Ratio | 18.1% |

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

### Initial Annual Income Per Investment ($)

| # of Shares | Investment ($) | Annual Div's ($) |
|---|---|---|
| 25 | 3,461.25 | 62.00 |
| 50 | 6,922.50 | 124.00 |
| 100 | 13,845.00 | 248.00 |
| 200 | 27,690.00 | 496.00 |
| 300 | 41,535.00 | 744.00 |
| 400 | 55,380.00 | 992.00 |
| 500 | 69,225.00 | 1,240.00 |
| 1,000 | 138,450.00 | 2,480.00 |
| 2,000 | 276,900.00 | 4,960.00 |
| 5,000 | 692,250.00 | 12,400.00 |
| 10,000 | 1,384,500.00 | 24,800.00 |
| 50,000 | 6,922,500.00 | 124,000.00 |
| 100,000 | 13,845,000 | 248,000.00 |

Initial annual income is based on the firm's current forward annual dividend yield and could be subject to change.

### Dividend Safety / Cushion — EXCELLENT / 3.6

We assess the safety of a firm's dividend by adding the company's net cash to our forecast of its free cash flows over the next five years. We then divide that sum by the total expected dividends over the next five years. This process results in our Dividend Cushion™ ratio. A Dividend Cushion™ above 1 indicates a firm can cover its future dividends with net cash on hand and future free cash flow, while a score below 1 signals trouble may be on the horizon. And by extension, the greater the score, the safer the dividend, as excess cash can be used to offset any unexpected earnings shortfall. General Dynamics scores a 3.6 on our Dividend Cushion™, which is EXCELLENT.

### Dividend Growth Potential — EXCELLENT

We judge the future potential growth of the dividend by evaluating the capacity for future increases, as measured by the Dividend Cushion™, and management's willingness to consistently raise the dividend, as measured by the firm's dividend track record. General Dynamics registers an EXCELLENT rating on our scale, and we think the firm's annual dividend will be $3.63 per share within the next several years.

### Risk of Capital Loss — MEDIUM

We assess the risk of capital loss based on our analysis of a firm's intrinsic value at this point in time. If the stock is undervalued (based on our DCF process), we think the risk of failing to recoup one's original capital investment (ex dividends) is relatively LOW. If the stock is fairly valued (it falls within our fair value estimate range), we think the likelihood of losing capital (ex dividends) is MEDIUM. If the stock is trading above our estimate of its intrinsic value, we think the likelihood of losing at least a portion of one's original investment (ex dividends) is HIGH. General Dynamics registers a score of MEDIUM on our scale.

### Dividend Track Record — HEALTHY

| Fiscal Year | Div's/Share ($) | Div Growth % | EPS ($) | Payout Ratio |
|---|---|---|---|---|
| Dec-99 | NA | 0.0 | 2.18 | 0.0% |
| Dec-00 | NA | 0.0 | 2.24 | 0.0% |
| Dec-01 | NA | 0.0 | 2.33 | 0.0% |
| Dec-02 | NA | 0.0 | 2.59 | 0.0% |
| Dec-03 | NA | 0.0 | 2.50 | 0.0% |
| Dec-04 | 0.70 | 0.0 | 2.99 | 23.4% |
| Dec-05 | 0.78 | 11.4 | 3.63 | 21.5% |
| Dec-06 | 1.12 | 43.6 | 4.20 | 26.7% |
| Dec-07 | 1.12 | 0.0 | 5.10 | 22.0% |
| Dec-08 | 1.12 | 0.0 | 6.22 | 18.0% |
| Dec-09 | 1.12 | 0.0 | 6.20 | 18.1% |
| Dec-10 | 1.64 | 46.4 | 6.82 | 24.0% |
| Dec-11 | 1.88 | 14.6 | 6.94 | 27.1% |
| Dec-12 | 2.04 | 8.5 | -0.94 | -217.0% |
| Dec-13 | 2.24 | 9.8 | 7.03 | 31.9% |
| ***Dec-14*** | ***2.48*** | ***10.7*** | ***7.83*** | ***31.7%*** |
| *Dec-15* | *2.78* | *12.0* | *8.43* | *32.9%* |
| *Dec-16* | *3.06* | *10.0* | *9.15* | *33.4%* |
| *Dec-17* | *3.36* | *10.0* | *9.95* | *33.8%* |
| *Dec-18* | *3.63* | *8.0* | *10.84* | *33.5%* |

Light green shading denotes a dividend increase, while light red shading denotes a dividend decrease. Heavy green shading denotes a significant dividend increase, while heavy red shading denotes a significant dividend decrease or an excessive payout ratio. NA = Not Applicable.

To view our full 16-page equity report on General Dynamics, please visit our website at www.valuentum.com



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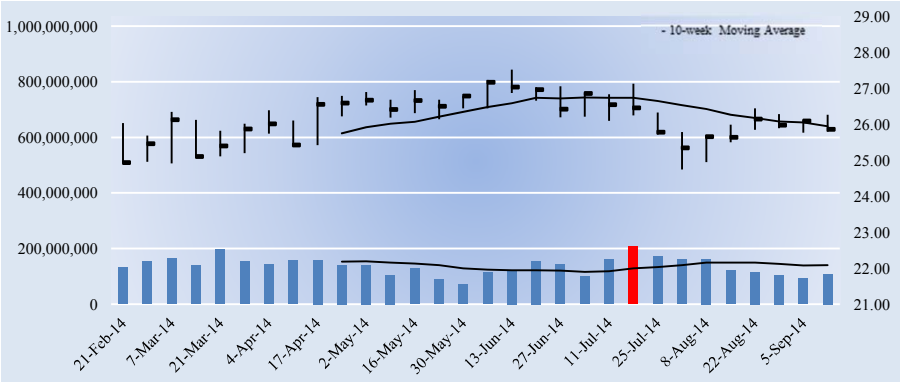
# General Electric GE UNDERVALUED 4.4%

**Buying Index™** 6 **Value Rating** ✓

| Economic Castle | Stock Fair Value Range | Dividend Track Record | Dividend Safety / Cushion™ | Div Growth Potential | Dividend Yield |
|---|---|---|---|---|---|
| Very Attractive | $27.00 - $37.00 | RISKY | GOOD / 2.3 | GOOD | 3.40% |

## General Electric had a hiccup during the Financial Crisis, but we think its dividend growth is back on track.

### Stock Chart (weekly)




### Company Vitals

| | |
|---|---|
| Market Cap (USD) | $266,176 |
| Avg Weekly Vol (30 wks) | 136,819 |
| 30-week Range (USD) | 24.75 - 27.53 |
| Valuentum Sector | Industrials |
| Last Fiscal Year Revenue | 146,045 |
| Last Fiscal Year EPS | 1.48 |
| Last Fiscal Year EBITDA | 36,029 |
| Forward Revenue Growth (5-yr) | 2.1% |
| Forward EPS Growth (5-yr) | 9.5% |

### Dividend Vitals

| | |
|---|---|
| Current Annual Dividend Yield % | 3.4% |
| Annual Dividends Per Share | 0.88 |
| Forward Dividend Payout Ratio | 51.9% |
| 3-yr Historical Dividend CAGR | 13.0% |
| 15-yr Historical Dividend CAGR | 9.2% |
| 3-yr Hist Median Div Payout Ratio | 50.4% |
| 15-yr Hist Median Div Payout Ratio | 49.6% |

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

### Initial Annual Income Per Investment ($)

| # of Shares | Investment ($) | Annual Div's ($) |
|---|---|---|
| 25 | 646.75 | 22.00 |
| 50 | 1,293.50 | 44.00 |
| 100 | 2,587.00 | 88.00 |
| 200 | 5,174.00 | 176.00 |
| 300 | 7,761.00 | 264.00 |
| 400 | 10,348.00 | 352.00 |
| 500 | 12,935.00 | 440.00 |
| 1,000 | 25,870.00 | 880.00 |
| 2,000 | 51,740.00 | 1,760.00 |
| 5,000 | 129,350.00 | 4,400.00 |
| 10,000 | 258,700.00 | 8,800.00 |
| 50,000 | 1,293,500.00 | 44,000.00 |
| 100,000 | 2,587,000.00 | 88,000.00 |

Initial annual income is based on the firm's current forward annual dividend yield and could be subject to change.

### Dividend Safety / Cushion — GOOD / 2.3

We assess the safety of a firm's dividend by adding the company's net cash to our forecast of its free cash flows over the next five years. We then divide that sum by the total expected dividends over the next five years. This process results in our Dividend Cushion™ ratio. A Dividend Cushion™ above 1 indicates a firm can cover its future dividends with net cash on hand and future free cash flow, while a score below 1 signals trouble may be on the horizon. And by extension, the greater the score, the safer the dividend, as excess cash can be used to offset any unexpected earnings shortfall. General Electric scores a 2.3 on our Dividend Cushion™, which is GOOD.

### Dividend Growth Potential — GOOD

We judge the future potential growth of the dividend by evaluating the capacity for future increases, as measured by the Dividend Cushion™, and management's willingness to consistently raise the dividend, as measured by the firm's dividend track record. General Electric registers an GOOD rating on our scale, and we think the firm's annual dividend will be $1.24 per share within the next several years.

### Risk of Capital Loss — LOW

We assess the risk of capital loss based on our analysis of a firm's intrinsic value at this point in time. If the stock is undervalued (based on our DCF process), we think the risk of failing to recoup one's original capital investment (ex dividends) is relatively LOW. If the stock is fairly valued (it falls within our fair value estimate range), we think the likelihood of losing capital (ex dividends) is MEDIUM. If the stock is trading above our estimate of its intrinsic value, we think the likelihood of losing at least a portion of one's original investment (ex dividends) is HIGH. General Electric registers a score of LOW on our scale.

### Key Dividend Considerations

| | |
|---|---|
| Current Annual Dividend Yield | **3.40%** |
| Annual Dividends per Share | **$0.88** |
| Initial Annual Div's Paid, $10k Investment | **$340.16** |
| Dividend Track Record | **RISKY** |
| Dividend Safety | **GOOD** |
| Valuentum Dividend Cushion™ | **2.3** |
| Dividend Growth Potential | **GOOD** |
| Risk of Capital Loss | **LOW** |
| ValueRisk™ (Equity Margin of Safety) | **LOW** |

The Valuentum Dividend Cushion is a ratio that compares the firm's excess cash and cash flow to its future dividend stream. A score above 1 indicates cash flow is sufficient to cover future dividends (higher is better).

### Dividend Strength

| Dividend Safety \ Dividend Growth | Very Poor | Poor | Good | Excellent |
|---|---|---|---|---|
| Excellent | | | | |
| Good | | | ■ | |
| Poor | | | | |
| Very Poor | | | | |

Firms that have safe and growing dividends score at the top right of our scale.

### Dividend Track Record — RISKY

| Fiscal Year | Div's/Share ($) | Div Growth % | EPS ($) | Payout Ratio |
|---|---|---|---|---|
| Dec-99 | 0.24 | 0.0 | 1.07 | 22.0% |
| Dec-00 | 0.28 | 17.0 | 1.27 | 21.7% |
| Dec-01 | 0.32 | 16.4 | 1.41 | 22.7% |
| Dec-02 | 0.36 | 12.5 | 1.51 | 23.8% |
| Dec-03 | 0.38 | 5.6 | 1.55 | 24.5% |
| Dec-04 | 0.60 | 57.9 | 1.59 | 37.7% |
| Dec-05 | 0.88 | 46.7 | 1.72 | 51.2% |
| Dec-06 | 1.00 | 13.6 | 1.99 | 50.3% |
| Dec-07 | 1.12 | 12.0 | 2.20 | 50.9% |
| Dec-08 | 1.24 | 10.7 | 1.78 | 69.7% |
| Dec-09 | 0.61 | -50.8 | 1.03 | 59.2% |
| Dec-10 | 0.46 | -24.6 | 1.15 | 40.0% |
| Dec-11 | 0.61 | 32.6 | 1.23 | 49.6% |
| Dec-12 | 0.70 | 14.8 | 1.39 | 50.4% |
| Dec-13 | 0.79 | 12.9 | 1.47 | 53.7% |
| ***Dec-14*** | ***0.88*** | ***11.4*** | ***1.70*** | ***51.9%*** |
| *Dec-15* | *0.97* | *10.0* | *1.84* | *52.7%* |
| *Dec-16* | *1.06* | *10.0* | *1.97* | *54.0%* |
| *Dec-17* | *1.15* | *8.0* | *2.13* | *53.9%* |
| *Dec-18* | *1.24* | *8.0* | *2.32* | *53.6%* |

Light green shading denotes a dividend increase, while light red shading denotes a dividend decrease. Heavy green shading denotes a significant dividend increase, while heavy red shading denotes a significant dividend decrease or an excessive payout ratio. NA = Not Applicable.

To view our full 16-page equity report on General Electric, please visit our website at www.valuentum.com



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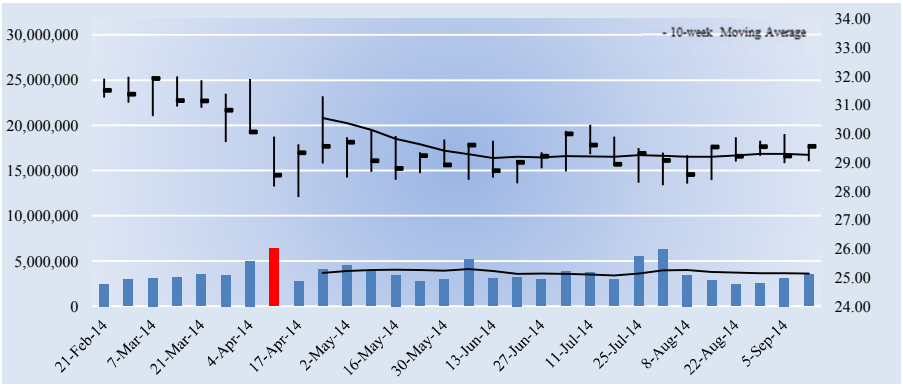
# Gentex GNTX FAIRLY VALUED

**Buying Index™** 6 **Value Rating**

| Economic Castle | Stock Fair Value Range | Dividend Track Record | Dividend Safety / Cushion™ | Div Growth Potential | Dividend Yield |
|---|---|---|---|---|---|
| Attractive | $23.00 - $39.00 | HEALTHY | GOOD / 2.7 | EXCELLENT | 2.17% |

**Gentex boasts a solid dividend, but its exposure to the cyclical automotive end market could cause volatility in future growth relative to our forecasts.**

## Stock Chart (weekly)




## Company Vitals

| | |
|---|---|
| Market Cap (USD) | $4,265 |
| Avg Weekly Vol (30 wks) | 3,634 |
| 30-week Range (USD) | 27.8 - 32 |
| Valuentum Sector | Consumer Discretionary |
| Last Fiscal Year Revenue | 1,172 |
| Last Fiscal Year EPS | 1.55 |
| Last Fiscal Year EBITDA | 368 |
| Forward Revenue Growth (5-yr) | 9.2% |
| Forward EPS Growth (5-yr) | 9.7% |

## Dividend Vitals

| | |
|---|---|
| Current Annual Dividend Yield % | 2.2% |
| Annual Dividends Per Share | 0.64 |
| Forward Dividend Payout Ratio | 32.7% |
| 3-yr Historical Dividend CAGR | 10.8% |
| 15-yr Historical Dividend CAGR | NA |
| 3-yr Hist Median Div Payout Ratio | 41.2% |
| 15-yr Hist Median Div Payout Ratio | 43.1% |

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

## Initial Annual Income Per Investment ($)

| # of Shares | Investment ($) | Annual Div's ($) |
|---|---|---|
| 25 | 739.00 | 16.00 |
| 50 | 1,478.00 | 32.00 |
| 100 | 2,956.00 | 64.00 |
| 200 | 5,912.00 | 128.00 |
| 300 | 8,868.00 | 192.00 |
| 400 | 11,824.00 | 256.00 |
| 500 | 14,780.00 | 320.00 |
| 1,000 | 29,560.00 | 640.00 |
| 2,000 | 59,120.00 | 1,280.00 |
| 5,000 | 147,800.00 | 3,200.00 |
| 10,000 | 295,600.00 | 6,400.00 |
| 50,000 | 1,478,000.00 | 32,000.00 |
| 100,000 | 2,956,000.00 | 64,000.00 |

Initial annual income is based on the firm's current forward annual dividend yield and could be subject to change.

## Dividend Safety / Cushion — GOOD / 2.7

We assess the safety of a firm's dividend by adding the company's net cash to our forecast of its free cash flows over the next five years. We then divide that sum by the total expected dividends over the next five years. This process results in our Dividend Cushion™ ratio. A Dividend Cushion™ above 1 indicates a firm can cover its future dividends with net cash on hand and future free cash flow, while a score below 1 signals trouble may be on the horizon. And by extension, the greater the score, the safer the dividend, as excess cash can be used to offset any unexpected earnings shortfall. Gentex scores a 2.7 on our Dividend Cushion™, which is GOOD.

## Dividend Growth Potential — EXCELLENT

We judge the future potential growth of the dividend by evaluating the capacity for future increases, as measured by the Dividend Cushion™, and management's willingness to consistently raise the dividend, as measured by the firm's dividend track record. Gentex registers an EXCELLENT rating on our scale, and we think the firm's annual dividend will be $0.92 per share within the next several years.

## Risk of Capital Loss — MEDIUM

We assess the risk of capital loss based on our analysis of a firm's intrinsic value at this point in time. If the stock is undervalued (based on our DCF process), we think the risk of failing to recoup one's original capital investment (ex dividends) is relatively LOW. If the stock is fairly valued (it falls within our fair value estimate range), we think the likelihood of losing capital (ex dividends) is MEDIUM. If the stock is trading above our estimate of its intrinsic value, we think the likelihood of losing at least a portion of one's original investment (ex dividends) is HIGH. Gentex registers a score of MEDIUM on our scale.

## Key Dividend Considerations

| | |
|---|---|
| Current Annual Dividend Yield | **2.17%** |
| Annual Dividends per Share | **$0.64** |
| Initial Annual Div's Paid, $10k Investment | **$216.51** |
| Dividend Track Record | **HEALTHY** |
| Dividend Safety | **GOOD** |
| Valuentum Dividend Cushion™ | **2.7** |
| Dividend Growth Potential | **EXCELLENT** |
| Risk of Capital Loss | **MEDIUM** |
| ValueRisk™ (Equity Margin of Safety) | **MEDIUM** |

The Valuentum Dividend Cushion is a ratio that compares the firm's excess cash and cash flow to its future dividend stream. A score above 1 indicates cash flow is sufficient to cover future dividends (higher is better).

## Dividend Strength

| Dividend Safety \ Dividend Growth | Very Poor | Poor | Good | Excellent |
|---|---|---|---|---|
| Excellent | | | | |
| Good | | | | ■ |
| Poor | | | | |
| Very Poor | | | | |

Firms that have safe and growing dividends score at the top right of our scale.

## Dividend Track Record — HEALTHY

| Fiscal Year | Div's/Share ($) | Div Growth % | EPS ($) | Payout Ratio |
|---|---|---|---|---|
| Dec-99 | 0.00 | 0.0 | 0.43 | 0.0% |
| Dec-00 | 0.00 | 0.0 | 0.47 | 0.0% |
| Dec-01 | 0.00 | 0.0 | 0.43 | 0.0% |
| Dec-02 | 0.00 | 0.0 | 0.56 | 0.0% |
| Dec-03 | 0.08 | 0.0 | 0.69 | 11.6% |
| Dec-04 | 0.31 | 287.5 | 0.72 | 43.1% |
| Dec-05 | 0.35 | 12.9 | 0.70 | 50.0% |
| Dec-06 | 0.37 | 5.7 | 0.73 | 50.7% |
| Dec-07 | 0.39 | 5.4 | 0.85 | 45.9% |
| Dec-08 | 0.43 | 10.3 | 0.44 | 97.7% |
| Dec-09 | 0.44 | 2.3 | 0.47 | 93.6% |
| Dec-10 | 0.44 | 0.0 | 0.98 | 44.9% |
| Dec-11 | 0.47 | 6.8 | 1.14 | 41.2% |
| Dec-12 | 0.51 | 8.5 | 1.17 | 43.6% |
| Dec-13 | 0.55 | 7.8 | 1.55 | 35.5% |
| ***Dec-14*** | ***0.64*** | ***16.4*** | ***1.96*** | ***32.7%*** |
| *Dec-15* | *0.72* | *12.0* | *2.05* | *35.0%* |
| *Dec-16* | *0.79* | *10.0* | *2.20* | *35.9%* |
| *Dec-17* | *0.85* | *8.0* | *2.34* | *36.4%* |
| *Dec-18* | *0.92* | *8.0* | *2.46* | *37.4%* |

Light green shading denotes a dividend increase, while light red shading denotes a dividend decrease. Heavy green shading denotes a significant dividend increase, while heavy red shading denotes a significant dividend decrease or an excessive payout ratio. NA = Not Applicable.

To view our full 16-page equity report on Gentex, please visit our website at www.valuentum.com



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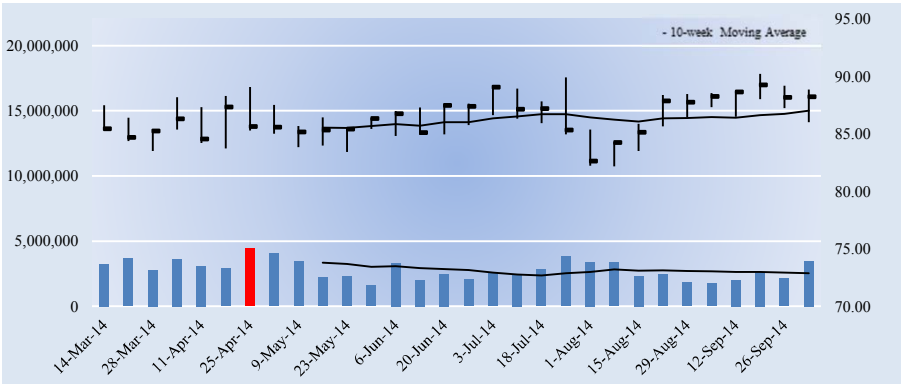
# Genuine Parts GPC FAIRLY VALUED

**Buying Index™** 6 **Value Rating**

| Economic Castle | Stock Fair Value Range | Dividend Track Record | Dividend Safety / Cushion™ | Div Growth Potential | Dividend Yield |
|---|---|---|---|---|---|
| Attractive | $65.00 - $97.00 | HEALTHY | GOOD / 1.8 | EXCELLENT | 2.61% |

## Genuine Parts has increased its dividend for ~60 consecutive years!

### Stock Chart (weekly)




### Key Dividend Considerations

| | |
|---|---|
| Current Annual Dividend Yield | **2.61%** |
| Annual Dividends per Share | **$2.30** |
| Initial Annual Div's Paid, $10k Investment | **$260.71** |
| Dividend Track Record | **HEALTHY** |
| Dividend Safety | **GOOD** |
| Valuentum Dividend Cushion™ | **1.8** |
| Dividend Growth Potential | **EXCELLENT** |
| Risk of Capital Loss | **MEDIUM** |
| ValueRisk™ (Equity Margin of Safety) | **LOW** |

The Valuentum Dividend Cushion is a ratio that compares the firm's excess cash and cash flow to its future dividend stream. A score above 1 indicates cash flow is sufficient to cover future dividends (higher is better).

### Dividend Strength

| Dividend Safety \ Dividend Growth | Very Poor | Poor | Good | Excellent |
|---|---|---|---|---|
| Excellent | | | | |
| Good | | | | ■ |
| Poor | | | | |
| Very Poor | | | | |

Firms that have safe and growing dividends score at the top right of our scale.

### Company Vitals

| | |
|---|---|
| Market Cap (USD) | $13,737 |
| Avg Weekly Vol (30 wks) | 2,800 |
| 30-week Range (USD) | 82.15 - 90.2 |
| Valuentum Sector | Consumer Discretionary |
| Last Fiscal Year Revenue | 14,078 |
| Last Fiscal Year EPS | 4.40 |
| Last Fiscal Year EBITDA | 1,192 |
| Forward Revenue Growth (5-yr) | 4.6% |
| Forward EPS Growth (5-yr) | 12.4% |

### Dividend Vitals

| | |
|---|---|
| Current Annual Dividend Yield % | 2.6% |
| Annual Dividends Per Share | 2.30 |
| Forward Dividend Payout Ratio | 49.5% |
| 3-yr Historical Dividend CAGR | 8.5% |
| 15-yr Historical Dividend CAGR | 5.5% |
| 3-yr Hist Median Div Payout Ratio | 48.9% |
| 15-yr Hist Median Div Payout Ratio | 50.3% |

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

### Initial Annual Income Per Investment ($)

| # of Shares | Investment ($) | Annual Div's ($) |
|---|---|---|
| 25 | 2,205.50 | 57.50 |
| 50 | 4,411.00 | 115.00 |
| 100 | 8,822.00 | 230.00 |
| 200 | 17,644.00 | 460.00 |
| 300 | 26,466.00 | 690.00 |
| 400 | 35,288.00 | 920.00 |
| 500 | 44,110.00 | 1,150.00 |
| 1,000 | 88,220.00 | 2,300.00 |
| 2,000 | 176,440.00 | 4,600.00 |
| 5,000 | 441,100.00 | 11,500.00 |
| 10,000 | 882,200.00 | 23,000.00 |
| 50,000 | 4,411,000.00 | 115,000.00 |
| 100,000 | 8,822,000.00 | 230,000.00 |

Initial annual income is based on the firm's current forward annual dividend yield and could be subject to change.

### Dividend Safety / Cushion — GOOD / 1.8

We assess the safety of a firm's dividend by adding the company's net cash to our forecast of its free cash flows over the next five years. We then divide that sum by the total expected dividends over the next five years. This process results in our Dividend Cushion™ ratio. A Dividend Cushion™ above 1 indicates a firm can cover its future dividends with net cash on hand and future free cash flow, while a score below 1 signals trouble may be on the horizon. And by extension, the greater the score, the safer the dividend, as excess cash can be used to offset any unexpected earnings shortfall. Genuine Parts scores a 1.8 on our Dividend Cushion™, which is GOOD.

### Dividend Growth Potential — EXCELLENT

We judge the future potential growth of the dividend by evaluating the capacity for future increases, as measured by the Dividend Cushion™, and management's willingness to consistently raise the dividend, as measured by the firm's dividend track record. Genuine Parts registers an EXCELLENT rating on our scale, and we think the firm's annual dividend will be $3.13 per share within the next several years.

### Risk of Capital Loss — MEDIUM

We assess the risk of capital loss based on our analysis of a firm's intrinsic value at this point in time. If the stock is undervalued (based on our DCF process), we think the risk of failing to recoup one's original capital investment (ex dividends) is relatively LOW. If the stock is fairly valued (it falls within our fair value estimate range), we think the likelihood of losing capital (ex dividends) is MEDIUM. If the stock is trading above our estimate of its intrinsic value, we think the likelihood of losing at least a portion of one's original investment (ex dividends) is HIGH. Genuine Parts registers a score of MEDIUM on our scale.

### Dividend Track Record — HEALTHY

| Fiscal Year | Div's/Share ($) | Div Growth % | EPS ($) | Payout Ratio |
|---|---|---|---|---|
| NA | 1.03 | NA | 2.11 | 0.0% |
| Dec-00 | 1.09 | 5.8 | 2.20 | 49.5% |
| Dec-01 | 1.13 | 3.7 | 1.71 | 66.1% |
| Dec-02 | 1.16 | 2.7 | 2.10 | 55.2% |
| Dec-03 | 1.18 | 1.7 | 2.03 | 58.1% |
| Dec-04 | 1.20 | 1.7 | 2.25 | 53.3% |
| Dec-05 | 1.24 | 3.3 | 2.50 | 49.6% |
| Dec-06 | 1.33 | 7.3 | 2.76 | 48.2% |
| Dec-07 | 1.43 | 7.5 | 2.98 | 48.0% |
| Dec-08 | 1.54 | 7.7 | 2.92 | 52.7% |
| Dec-09 | 1.60 | 3.9 | 2.50 | 64.0% |
| Dec-10 | 1.64 | 2.5 | 3.00 | 54.7% |
| Dec-11 | 1.80 | 9.8 | 3.58 | 50.3% |
| Dec-12 | 1.98 | 10.0 | 4.14 | 47.8% |
| Dec-13 | 2.15 | 8.6 | 4.40 | 48.9% |
| ***Dec-14*** | ***2.30*** | ***7.0*** | ***4.65*** | ***49.5%*** |
| *Dec-15* | *2.48* | *8.0* | *5.05* | *49.2%* |
| *Dec-16* | *2.68* | *8.0* | *5.89* | *45.6%* |
| *Dec-17* | *2.90* | *8.0* | *6.83* | *42.4%* |
| *Dec-18* | *3.13* | *8.0* | *7.89* | *39.7%* |

Light green shading denotes a dividend increase, while light red shading denotes a dividend decrease. Heavy green shading denotes a significant dividend increase, while heavy red shading denotes a significant dividend decrease or an excessive payout ratio. NA = Not Applicable.

To view our full 16-page equity report on Genuine Parts, please visit our website at www.valuentum.com



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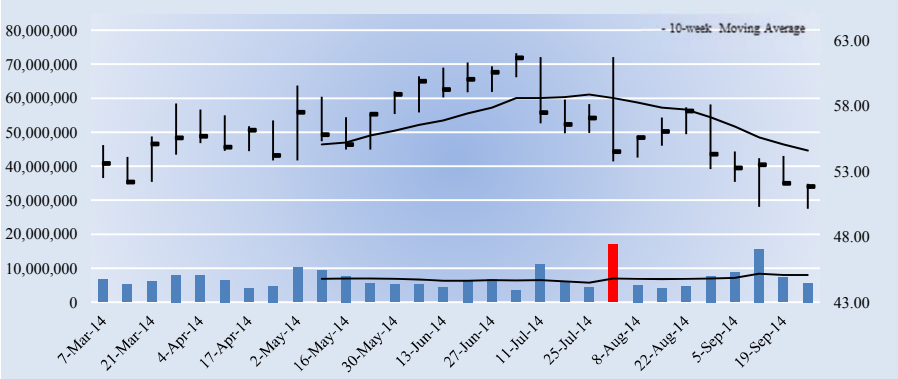
# Garmin GRMN FAIRLY VALUED

**Buying Index™** 3 **Value Rating**

| Economic Castle | Stock Fair Value Range | Dividend Track Record | Dividend Safety / Cushion™ | Div Growth Potential | Dividend Yield |
|---|---|---|---|---|---|
| Attractive | $37.00 - $55.00 | HEALTHY | GOOD / 2.3 | EXCELLENT | 3.70% |

**Garmin's dividend is healthy, but we cannot ignore competitive risks.**

## Stock Chart (weekly)




## Company Vitals

| | |
|---|---|
| Market Cap (USD) | $10,182 |
| Avg Weekly Vol (30 wks) | 6,998 |
| 30-week Range (USD) | 50.15 - 62.05 |
| Valuentum Sector | Industrials |
| Last Fiscal Year Revenue | 2,632 |
| Last Fiscal Year EPS | 3.12 |
| Last Fiscal Year EBITDA | 653 |
| Forward Revenue Growth (5-yr) | 3.3% |
| Forward EPS Growth (5-yr) | 3.1% |

## Dividend Vitals

| | |
|---|---|
| Current Annual Dividend Yield % | 3.7% |
| Annual Dividends Per Share | 1.92 |
| Forward Dividend Payout Ratio | 61.9% |
| 3-yr Historical Dividend CAGR | 6.3% |
| 15-yr Historical Dividend CAGR | NA |
| 3-yr Hist Median Div Payout Ratio | 59.9% |
| 15-yr Hist Median Div Payout Ratio | 21.4% |

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

## Initial Annual Income Per Investment ($)

| # of Shares | Investment ($) | Annual Div's ($) |
|---|---|---|
| 25 | 1,296.50 | 48.00 |
| 50 | 2,593.00 | 96.00 |
| 100 | 5,186.00 | 192.00 |
| 200 | 10,372.00 | 384.00 |
| 300 | 15,558.00 | 576.00 |
| 400 | 20,744.00 | 768.00 |
| 500 | 25,930.00 | 960.00 |
| 1,000 | 51,860.00 | 1,920.00 |
| 2,000 | 103,720.00 | 3,840.00 |
| 5,000 | 259,300.00 | 9,600.00 |
| 10,000 | 518,600.00 | 19,200.00 |
| 50,000 | 2,593,000.00 | 96,000.00 |
| 100,000 | 5,186,000.00 | 192,000.00 |

Initial annual income is based on the firm's current forward annual dividend yield and could be subject to change.

## Dividend Safety / Cushion — GOOD / 2.3

We assess the safety of a firm's dividend by adding the company's net cash to our forecast of its free cash flows over the next five years. We then divide that sum by the total expected dividends over the next five years. This process results in our Dividend Cushion™ ratio. A Dividend Cushion™ above 1 indicates a firm can cover its future dividends with net cash on hand and future free cash flow, while a score below 1 signals trouble may be on the horizon. And by extension, the greater the score, the safer the dividend, as excess cash can be used to offset any unexpected earnings shortfall. Garmin scores a 2.3 on our Dividend Cushion™, which is GOOD.

## Dividend Growth Potential — EXCELLENT

We judge the future potential growth of the dividend by evaluating the capacity for future increases, as measured by the Dividend Cushion™, and management's willingness to consistently raise the dividend, as measured by the firm's dividend track record. Garmin registers an EXCELLENT rating on our scale, and we think the firm's annual dividend will be $2.33 per share within the next several years.

## Risk of Capital Loss — MEDIUM

We assess the risk of capital loss based on our analysis of a firm's intrinsic value at this point in time. If the stock is undervalued (based on our DCF process), we think the risk of failing to recoup one's original capital investment (ex dividends) is relatively LOW. If the stock is fairly valued (it falls within our fair value estimate range), we think the likelihood of losing capital (ex dividends) is MEDIUM. If the stock is trading above our estimate of its intrinsic value, we think the likelihood of losing at least a portion of one's original investment (ex dividends) is HIGH. Garmin registers a score of MEDIUM on our scale.

## Key Dividend Considerations

| | |
|---|---|
| Current Annual Dividend Yield | **3.70%** |
| Annual Dividends per Share | **$1.92** |
| Initial Annual Div's Paid, $10k Investment | **$370.23** |
| Dividend Track Record | **HEALTHY** |
| Dividend Safety | **GOOD** |
| Valuentum Dividend Cushion™ | **2.3** |
| Dividend Growth Potential | **EXCELLENT** |
| Risk of Capital Loss | **MEDIUM** |
| ValueRisk™ (Equity Margin of Safety) | **LOW** |

The Valuentum Dividend Cushion is a ratio that compares the firm's excess cash and cash flow to its future dividend stream. A score above 1 indicates cash flow is sufficient to cover future dividends (higher is better).

## Dividend Strength

| Dividend Safety \ Dividend Growth | Very Poor | Poor | Good | Excellent |
|---|---|---|---|---|
| Excellent | | | | |
| Good | | | | ■ |
| Poor | | | | |
| Very Poor | | | | |

Firms that have safe and growing dividends score at the top right of our scale.

## Dividend Track Record — HEALTHY

| Fiscal Year | Div's/Share ($) | Div Growth % | EPS ($) | Payout Ratio |
|---|---|---|---|---|
| NA | 0.00 | 0.0 | 0.32 | 0.0% |
| NA | 0.00 | 0.0 | 0.53 | 0.0% |
| Dec-01 | 0.00 | 0.0 | 0.53 | 0.0% |
| Dec-02 | 0.00 | 0.0 | 0.66 | 0.0% |
| Dec-03 | 0.25 | 0.0 | 0.82 | 30.5% |
| Dec-04 | 0.25 | 0.0 | 0.95 | 26.3% |
| Dec-05 | 0.25 | 0.0 | 1.43 | 17.5% |
| Dec-06 | 0.50 | 100.0 | 2.35 | 21.3% |
| Dec-07 | 0.75 | 50.0 | 3.89 | 19.3% |
| Dec-08 | 0.75 | 0.0 | 3.48 | 21.6% |
| Dec-09 | 0.75 | 0.0 | 3.50 | 21.4% |
| Dec-10 | 1.50 | 100.0 | 2.95 | 50.8% |
| Dec-11 | 1.60 | 6.7 | 2.67 | 59.9% |
| Dec-12 | 1.75 | 9.4 | 2.76 | 63.4% |
| Dec-13 | 1.80 | 2.9 | 3.12 | 57.7% |
| ***Dec-14*** | ***1.92*** | ***6.7*** | ***3.10*** | ***61.9%*** |
| *Dec-15* | *2.02* | *5.0* | *3.19* | *63.2%* |
| *Dec-16* | *2.12* | *5.0* | *3.32* | *63.8%* |
| *Dec-17* | *2.22* | *5.0* | *3.47* | *64.1%* |
| *Dec-18* | *2.33* | *5.0* | *3.63* | *64.2%* |

Light green shading denotes a dividend increase, while light red shading denotes a dividend decrease. Heavy green shading denotes a significant dividend increase, while heavy red shading denotes a significant dividend decrease or an excessive payout ratio. NA = Not Applicable.

To view our full 16-page equity report on Garmin, please visit our website at www.valuentum.com



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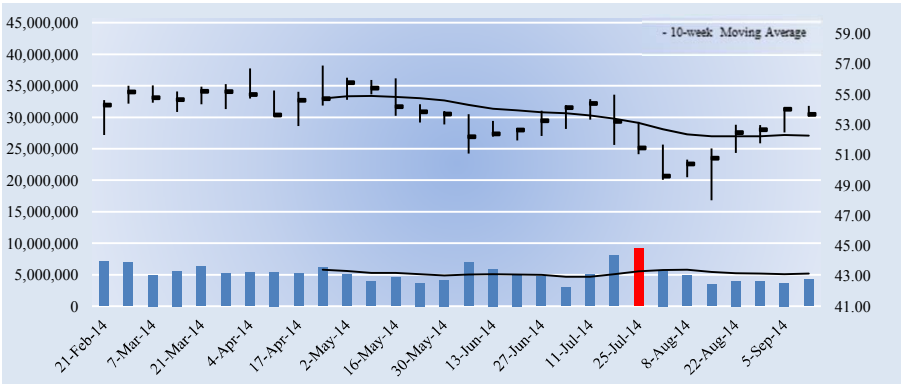
# Hasbro HAS FAIRLY VALUED

**Buying Index™** 6 **Value Rating**

| Economic Castle | Stock Fair Value Range | Dividend Track Record | Dividend Safety / Cushion™ | Div Growth Potential | Dividend Yield |
|---|---|---|---|---|---|
| Very Attractive | $50.00 - $74.00 | HEALTHY | GOOD / 1.9 | EXCELLENT | 3.20% |

**Hasbro has been paying dividends since 1977. The company paid an extra quarterly dividend in 2012, which makes comparisons difficult, but we like its future dividend growth prospects.**

## Stock Chart (weekly)




## Company Vitals

| | |
|---|---|
| Market Cap (USD) | $7,073 |
| Avg Weekly Vol (30 wks) | 5,229 |
| 30-week Range (USD) | 48.01 - 56.91 |
| Valuentum Sector | Consumer Discretionary |
| Last Fiscal Year Revenue | 4,082 |
| Last Fiscal Year EPS | 2.17 |
| Last Fiscal Year EBITDA | 707 |
| Forward Revenue Growth (5-yr) | 4.0% |
| Forward EPS Growth (5-yr) | 17.1% |

## Dividend Vitals

| | |
|---|---|
| Current Annual Dividend Yield % | 3.2% |
| Annual Dividends Per Share | 1.72 |
| Forward Dividend Payout Ratio | 52.6% |
| 3-yr Historical Dividend CAGR | 14.4% |
| 15-yr Historical Dividend CAGR | NA |
| 3-yr Hist Median Div Payout Ratio | 55.3% |
| 15-yr Hist Median Div Payout Ratio | 30.5% |

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

## Initial Annual Income Per Investment ($)

| # of Shares | Investment ($) | Annual Div's ($) |
|---|---|---|
| 25 | 1,341.75 | 43.00 |
| 50 | 2,683.50 | 86.00 |
| 100 | 5,367.00 | 172.00 |
| 200 | 10,734.00 | 344.00 |
| 300 | 16,101.00 | 516.00 |
| 400 | 21,468.00 | 688.00 |
| 500 | 26,835.00 | 860.00 |
| 1,000 | 53,670.00 | 1,720.00 |
| 2,000 | 107,340.00 | 3,440.00 |
| 5,000 | 268,350.00 | 8,600.00 |
| 10,000 | 536,700.00 | 17,200.00 |
| 50,000 | 2,683,500.00 | 86,000.00 |
| 100,000 | 5,367,000.00 | 172,000.00 |

Initial annual income is based on the firm's current forward annual dividend yield and could be subject to change.

## Dividend Safety / Cushion — GOOD / 1.9

We assess the safety of a firm's dividend by adding the company's net cash to our forecast of its free cash flows over the next five years. We then divide that sum by the total expected dividends over the next five years. This process results in our Dividend Cushion™ ratio. A Dividend Cushion™ above 1 indicates a firm can cover its future dividends with net cash on hand and future free cash flow, while a score below 1 signals trouble may be on the horizon. And by extension, the greater the score, the safer the dividend, as excess cash can be used to offset any unexpected earnings shortfall. Hasbro scores a 1.9 on our Dividend Cushion™, which is GOOD.

## Dividend Growth Potential — EXCELLENT

We judge the future potential growth of the dividend by evaluating the capacity for future increases, as measured by the Dividend Cushion™, and management's willingness to consistently raise the dividend, as measured by the firm's dividend track record. Hasbro registers an EXCELLENT rating on our scale, and we think the firm's annual dividend will be $2.47 per share within the next several years.

## Risk of Capital Loss — MEDIUM

We assess the risk of capital loss based on our analysis of a firm's intrinsic value at this point in time. If the stock is undervalued (based on our DCF process), we think the risk of failing to recoup one's original capital investment (ex dividends) is relatively LOW. If the stock is fairly valued (it falls within our fair value estimate range), we think the likelihood of losing capital (ex dividends) is MEDIUM. If the stock is trading above our estimate of its intrinsic value, we think the likelihood of losing at least a portion of one's original investment (ex dividends) is HIGH. Hasbro registers a score of MEDIUM on our scale.

## Key Dividend Considerations

| | |
|---|---|
| Current Annual Dividend Yield | **3.20%** |
| Annual Dividends per Share | **$1.72** |
| Initial Annual Div's Paid, $10k Investment | **$320.48** |
| Dividend Track Record | **HEALTHY** |
| Dividend Safety | **GOOD** |
| Valuentum Dividend Cushion™ | **1.9** |
| Dividend Growth Potential | **EXCELLENT** |
| Risk of Capital Loss | **MEDIUM** |
| ValueRisk™ (Equity Margin of Safety) | **LOW** |

The Valuentum Dividend Cushion is a ratio that compares the firm's excess cash and cash flow to its future dividend stream. A score above 1 indicates cash flow is sufficient to cover future dividends (higher is better).

## Dividend Strength

| Dividend Safety \ Dividend Growth | Very Poor | Poor | Good | Excellent |
|---|---|---|---|---|
| Excellent | | | | |
| Good | | | | ■ |
| Poor | | | | |
| Very Poor | | | | |

Firms that have safe and growing dividends score at the top right of our scale.

## Dividend Track Record — HEALTHY

| Fiscal Year | Div's/Share ($) | Div Growth % | EPS ($) | Payout Ratio |
|---|---|---|---|---|
| Dec-99 | NA | 0.0 | 0.93 | 0.0% |
| Dec-00 | NA | 0.0 | -0.82 | 0.0% |
| Dec-01 | NA | 0.0 | 0.35 | 0.0% |
| Dec-02 | NA | 0.0 | 0.43 | 0.0% |
| Dec-03 | 0.12 | 0.0 | 0.98 | 12.2% |
| Dec-04 | 0.21 | 75.0 | 0.96 | 21.9% |
| Dec-05 | 0.33 | 57.1 | 1.09 | 30.3% |
| Dec-06 | 0.45 | 36.4 | 1.29 | 34.9% |
| Dec-07 | 0.60 | 33.3 | 1.97 | 30.5% |
| Dec-08 | 0.76 | 26.7 | 2.00 | 38.0% |
| Dec-09 | 0.80 | 5.3 | 2.48 | 32.3% |
| Dec-10 | 0.95 | 18.8 | 2.74 | 34.7% |
| Dec-11 | 1.15 | 21.1 | 2.82 | 40.8% |
| Dec-12 | 1.74 | 51.3 | 2.55 | 68.2% |
| Dec-13 | 1.20 | -31.0 | 2.17 | 55.3% |
| ***Dec-14*** | ***1.72*** | ***43.3*** | ***3.27*** | ***52.6%*** |
| *Dec-15* | *1.93* | *12.0* | *3.62* | *53.3%* |
| *Dec-16* | *2.12* | *10.0* | *3.99* | *53.1%* |
| *Dec-17* | *2.29* | *8.0* | *4.38* | *52.2%* |
| *Dec-18* | *2.47* | *8.0* | *4.78* | *51.7%* |

Light green shading denotes a dividend increase, while light red shading denotes a dividend decrease. Heavy green shading denotes a significant dividend increase, while heavy red shading denotes a significant dividend decrease or an excessive payout ratio. NA = Not Applicable.

To view our full 16-page equity report on Hasbro, please visit our website at www.valuentum.com



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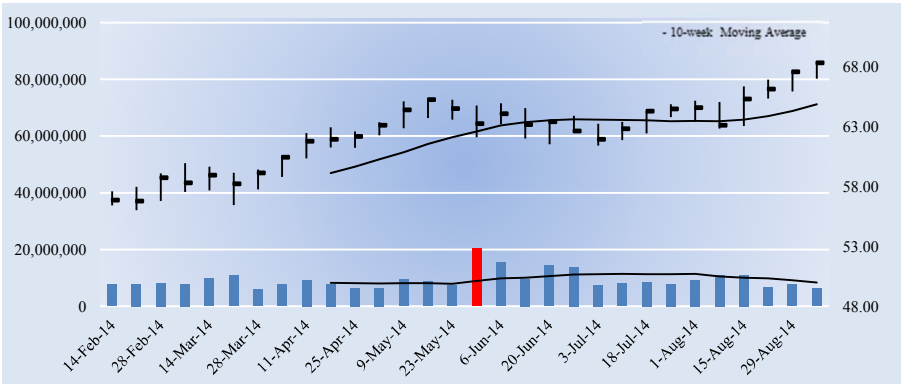
# Health Care REIT HCN FAIRLY VALUED

**Buying Index™** 6 **Value Rating**

| Economic Castle | Stock Fair Value Range | Dividend Track Record | Dividend Safety / Cushion™ | Div Growth Potential | Dividend Yield |
|---|---|---|---|---|---|
| Unattractive | $52.00 - $78.00 | HEALTHY | GOOD / 2.1 | GOOD | 4.65% |

**The strength of Health Care REIT's dividend is based on its continued access to the debt and equity markets. If this becomes impaired in any way, the safety of its dividend may come into question.**

## Stock Chart (weekly)




## Key Dividend Considerations

| | |
|---|---|
| Current Annual Dividend Yield | **4.65%** |
| Annual Dividends per Share | **$3.18** |
| Initial Annual Div's Paid, $10k Investment | **$465.46** |
| Dividend Track Record | **HEALTHY** |
| Dividend Safety | **GOOD** |
| Valuentum Dividend Cushion™ | **2.1** |
| Dividend Growth Potential | **GOOD** |
| Risk of Capital Loss | **MEDIUM** |
| ValueRisk™ (Equity Margin of Safety) | **LOW** |

The Valuentum Dividend Cushion is a ratio that compares the firm's excess cash and cash flow to its future dividend stream. A score above 1 indicates cash flow is sufficient to cover future dividends (higher is better).

## Dividend Strength

| Dividend Safety \ Dividend Growth | Very Poor | Poor | Good | Excellent |
|---|---|---|---|---|
| Excellent | | | | |
| Good | | | ■ | |
| Poor | | | | |
| Very Poor | | | | |

Firms that have safe and growing dividends score at the top right of our scale.

## Company Vitals

| | |
|---|---|
| Market Cap (USD) | $19,045 |
| Avg Weekly Vol (30 wks) | 9,259 |
| 30-week Range (USD) | 56.01 - 68.36 |
| Valuentum Sector | Financials |
| Last Fiscal Year Revenue | 2,881 |
| Last Fiscal Year EPS | 0.31 |
| Last Fiscal Year EBITDA | 1,426 |
| Forward Revenue Growth (5-yr) | 7.9% |
| Forward EPS Growth (5-yr) | 73.0% |

## Dividend Vitals

| | |
|---|---|
| Current Annual Dividend Yield % | 4.7% |
| Annual Dividends Per Share | 3.18 |
| Forward Dividend Payout Ratio | 76.4% |
| 3-yr Historical Dividend CAGR | 3.8% |
| 15-yr Historical Dividend CAGR | NA |
| 3-yr Hist Median Div Payout Ratio | 616.7% |
| 15-yr Hist Median Div Payout Ratio | 0.0% |

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

## Initial Annual Income Per Investment ($)

| # of Shares | Investment ($) | Annual Div's ($) |
|---|---|---|
| 25 | 1,708.00 | 79.50 |
| 50 | 3,416.00 | 159.00 |
| 100 | 6,832.00 | 318.00 |
| 200 | 13,664.00 | 636.00 |
| 300 | 20,496.00 | 954.00 |
| 400 | 27,328.00 | 1,272.00 |
| 500 | 34,160.00 | 1,590.00 |
| 1,000 | 68,320.00 | 3,180.00 |
| 2,000 | 136,640.00 | 6,360.00 |
| 5,000 | 341,600.00 | 15,900.00 |
| 10,000 | 683,200.00 | 31,800.00 |
| 50,000 | 3,416,000.00 | 159,000.00 |
| 100,000 | 6,832,000.00 | 318,000.00 |

Initial annual income is based on the firm's current forward annual dividend yield and could be subject to change.

## Dividend Safety / Cushion — GOOD / 2.1

We assess the safety of a firm's dividend by adding the company's net cash to our forecast of its free cash flows over the next five years. We then divide that sum by the total expected dividends over the next five years. This process results in our Dividend Cushion™ ratio. A Dividend Cushion™ above 1 indicates a firm can cover its future dividends with net cash on hand and future free cash flow, while a score below 1 signals trouble may be on the horizon. And by extension, the greater the score, the safer the dividend, as excess cash can be used to offset any unexpected earnings shortfall. Health Care REIT scores a 2.1 on our Dividend Cushion™, which is GOOD.

## Dividend Growth Potential — GOOD

We judge the future potential growth of the dividend by evaluating the capacity for future increases, as measured by the Dividend Cushion™, and management's willingness to consistently raise the dividend, as measured by the firm's dividend track record. Health Care REIT registers an GOOD rating on our scale, and we think the firm's annual dividend will be $3.87 per share within the next several years.

## Risk of Capital Loss — MEDIUM

We assess the risk of capital loss based on our analysis of a firm's intrinsic value at this point in time. If the stock is undervalued (based on our DCF process), we think the risk of failing to recoup one's original capital investment (ex dividends) is relatively LOW. If the stock is fairly valued (it falls within our fair value estimate range), we think the likelihood of losing capital (ex dividends) is MEDIUM. If the stock is trading above our estimate of its intrinsic value, we think the likelihood of losing at least a portion of one's original investment (ex dividends) is HIGH. Health Care REIT registers a score of MEDIUM on our scale.

## Dividend Track Record — HEALTHY

| Fiscal Year | Div's/Share ($) | Div Growth % | EPS ($) | Payout Ratio |
|---|---|---|---|---|
| Dec-99 | NA | 0.0 | 2.21 | 0.0% |
| Dec-00 | NA | 0.0 | 1.91 | 0.0% |
| Dec-01 | NA | 0.0 | 1.52 | 0.0% |
| Dec-02 | NA | 0.0 | 1.47 | 0.0% |
| Dec-03 | NA | 0.0 | 1.44 | 0.0% |
| Dec-04 | NA | 0.0 | 1.38 | 0.0% |
| Dec-05 | NA | 0.0 | 1.06 | 0.0% |
| Dec-06 | NA | 0.0 | 1.32 | 0.0% |
| Dec-07 | NA | 0.0 | 1.26 | 0.0% |
| Dec-08 | NA | 0.0 | 1.35 | 0.0% |
| Dec-09 | 2.72 | 0.0 | 1.22 | 223.0% |
| Dec-10 | 2.74 | 0.7 | 0.49 | 559.2% |
| Dec-11 | 2.84 | 3.6 | 0.60 | 473.3% |
| Dec-12 | 2.96 | 4.2 | 0.48 | 616.7% |
| Dec-13 | 3.06 | 3.4 | 0.10 | 3060.0% |
| ***Dec-14*** | ***3.18*** | ***3.9*** | ***4.16*** | ***76.4%*** |
| *Jan-16* | *3.34* | *5.0* | *4.38* | *76.2%* |
| *Dec-16* | *3.51* | *5.0* | *4.58* | *76.5%* |
| *Dec-17* | *3.68* | *5.0* | *4.73* | *77.9%* |
| *Dec-18* | *3.87* | *5.0* | *4.81* | *80.3%* |

Light green shading denotes a dividend increase, while light red shading denotes a dividend decrease. Heavy green shading denotes a significant dividend increase, while heavy red shading denotes a significant dividend decrease or an excessive payout ratio. NA = Not Applicable.

To view our full 16-page equity report on Health Care REIT, please visit our website at www.valuentum.com



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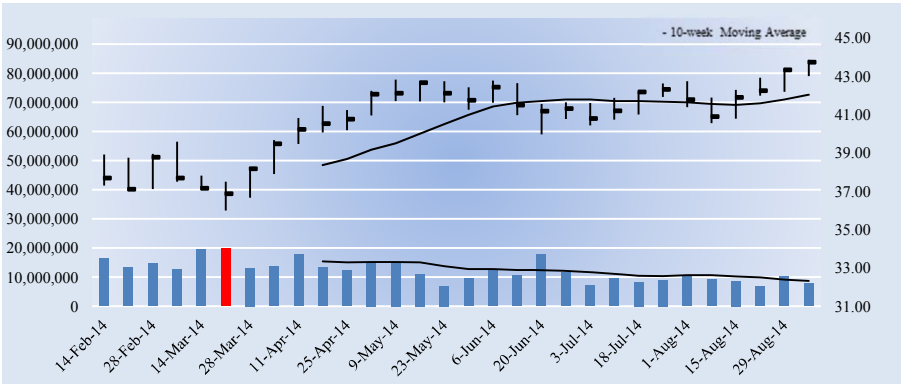
# HCP HCP FAIRLY VALUED

**Buying Index™** 6 **Value Rating**

| Economic Castle | Stock Fair Value Range | Dividend Track Record | Dividend Safety / Cushion™ | Div Growth Potential | Dividend Yield |
|---|---|---|---|---|---|
| Attractive | $37.00 - $57.00 | HEALTHY | GOOD / 1.8 | GOOD | 4.99% |

**HCP has an enviable track record of raising its dividend, and the firm's dividend metrics remain strong.**

## Stock Chart (weekly)




## Company Vitals

| | |
|---|---|
| Market Cap (USD) | $19,928 |
| Avg Weekly Vol (30 wks) | 12,114 |
| 30-week Range (USD) | 36 - 43.86 |
| Valuentum Sector | Financials |
| Last Fiscal Year Revenue | 2,100 |
| Last Fiscal Year EPS | 2.00 |
| Last Fiscal Year EBITDA | 1,711 |
| Forward Revenue Growth (5-yr) | 4.4% |
| Forward EPS Growth (5-yr) | 11.4% |

## Dividend Vitals

| | |
|---|---|
| Current Annual Dividend Yield % | 5.0% |
| Annual Dividends Per Share | 2.18 |
| Forward Dividend Payout Ratio | 71.2% |
| 3-yr Historical Dividend CAGR | 4.3% |
| 15-yr Historical Dividend CAGR | NA |
| 3-yr Hist Median Div Payout Ratio | 109.3% |
| 15-yr Hist Median Div Payout Ratio | 0.0% |

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

## Initial Annual Income Per Investment ($)

| # of Shares | Investment ($) | Annual Div's ($) |
|---|---|---|
| 25 | 1,093.25 | 54.50 |
| 50 | 2,186.50 | 109.00 |
| 100 | 4,373.00 | 218.00 |
| 200 | 8,746.00 | 436.00 |
| 300 | 13,119.00 | 654.00 |
| 400 | 17,492.00 | 872.00 |
| 500 | 21,865.00 | 1,090.00 |
| 1,000 | 43,730.00 | 2,180.00 |
| 2,000 | 87,460.00 | 4,360.00 |
| 5,000 | 218,650.00 | 10,900.00 |
| 10,000 | 437,300.00 | 21,800.00 |
| 50,000 | 2,186,500.00 | 109,000.00 |
| 100,000 | 4,373,000.00 | 218,000.00 |

Initial annual income is based on the firm's current forward annual dividend yield and could be subject to change.

## Dividend Safety / Cushion — GOOD / 1.8

We assess the safety of a firm's dividend by adding the company's net cash to our forecast of its free cash flows over the next five years. We then divide that sum by the total expected dividends over the next five years. This process results in our Dividend Cushion™ ratio. A Dividend Cushion™ above 1 indicates a firm can cover its future dividends with net cash on hand and future free cash flow, while a score below 1 signals trouble may be on the horizon. And by extension, the greater the score, the safer the dividend, as excess cash can be used to offset any unexpected earnings shortfall. HCP scores a 1.8 on our Dividend Cushion™, which is GOOD.

## Dividend Growth Potential — GOOD

We judge the future potential growth of the dividend by evaluating the capacity for future increases, as measured by the Dividend Cushion™, and management's willingness to consistently raise the dividend, as measured by the firm's dividend track record. HCP registers an GOOD rating on our scale, and we think the firm's annual dividend will be $2.65 per share within the next several years.

## Risk of Capital Loss — MEDIUM

We assess the risk of capital loss based on our analysis of a firm's intrinsic value at this point in time. If the stock is undervalued (based on our DCF process), we think the risk of failing to recoup one's original capital investment (ex dividends) is relatively LOW. If the stock is fairly valued (it falls within our fair value estimate range), we think the likelihood of losing capital (ex dividends) is MEDIUM. If the stock is trading above our estimate of its intrinsic value, we think the likelihood of losing at least a portion of one's original investment (ex dividends) is HIGH. HCP registers a score of MEDIUM on our scale.

## Key Dividend Considerations

| | |
|---|---|
| Current Annual Dividend Yield | **4.99%** |
| Annual Dividends per Share | **$2.18** |
| Initial Annual Div's Paid, $10k Investment | **$498.51** |
| Dividend Track Record | **HEALTHY** |
| Dividend Safety | **GOOD** |
| Valuentum Dividend Cushion™ | **1.8** |
| Dividend Growth Potential | **GOOD** |
| Risk of Capital Loss | **MEDIUM** |
| ValueRisk™ (Equity Margin of Safety) | **MEDIUM** |

The Valuentum Dividend Cushion is a ratio that compares the firm's excess cash and cash flow to its future dividend stream. A score above 1 indicates cash flow is sufficient to cover future dividends (higher is better).

## Dividend Strength

| Dividend Safety \ Dividend Growth | Very Poor | Poor | Good | Excellent |
|---|---|---|---|---|
| Excellent | | | | |
| Good | | | ■ | |
| Poor | | | | |
| Very Poor | | | | |

Firms that have safe and growing dividends score at the top right of our scale.

## Dividend Track Record — HEALTHY

| Fiscal Year | Div's/Share ($) | Div Growth % | EPS ($) | Payout Ratio |
|---|---|---|---|---|
| Dec-99 | NA | 0.0 | 1.13 | 0.0% |
| Dec-00 | NA | 0.0 | 1.07 | 0.0% |
| Dec-01 | NA | 0.0 | 0.89 | 0.0% |
| Dec-02 | NA | 0.0 | 0.97 | 0.0% |
| Dec-03 | NA | 0.0 | 0.94 | 0.0% |
| Dec-04 | NA | 0.0 | 1.03 | 0.0% |
| Dec-05 | NA | 0.0 | 1.02 | 0.0% |
| Dec-06 | NA | 0.0 | 0.57 | 0.0% |
| Dec-07 | NA | 0.0 | 0.67 | 0.0% |
| Dec-08 | NA | 0.0 | 0.77 | 0.0% |
| Dec-09 | 1.84 | 0.0 | 0.25 | 736.0% |
| Dec-10 | 1.86 | 1.1 | 0.93 | 200.0% |
| Dec-11 | 1.92 | 3.2 | 1.28 | 150.0% |
| Dec-12 | 2.00 | 4.2 | 1.83 | 109.3% |
| Dec-13 | 2.10 | 5.0 | 1.97 | 106.6% |
| ***Dec-14*** | ***2.18*** | ***3.8*** | ***3.06*** | ***71.2%*** |
| *Jan-16* | *2.29* | *5.0* | *3.18* | *71.9%* |
| *Dec-16* | *2.40* | *5.0* | *3.27* | *73.5%* |
| *Dec-17* | *2.52* | *5.0* | *3.35* | *75.3%* |
| *Dec-18* | *2.65* | *5.0* | *3.43* | *77.3%* |

Light green shading denotes a dividend increase, while light red shading denotes a dividend decrease. Heavy green shading denotes a significant dividend increase, while heavy red shading denotes a significant dividend decrease or an excessive payout ratio. NA = Not Applicable.

To view our full 16-page equity report on HCP, please visit our website at www.valuentum.com



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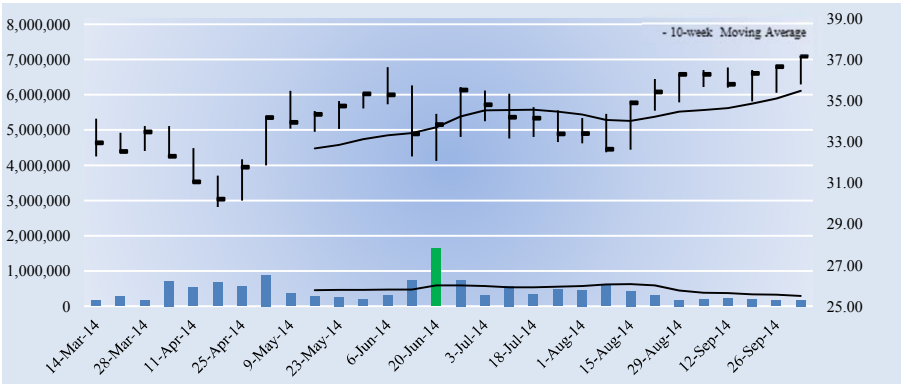
# Holly Energy HEP FAIRLY VALUED

**Buying Index™** 6 **Value Rating**

| Economic Castle | Stock Fair Value Range | Dividend Track Record | Dividend Safety / Cushion™ | Div Growth Potential | Dividend Yield |
|---|---|---|---|---|---|
| Attractive | $26.00 - $38.00 | HEALTHY | GOOD / 1.8 | EXCELLENT | 5.54% |

**Holly Energy's distribution has increased every quarter since its IPO (30+ quarters).**

## Stock Chart (weekly)




## Key Dividend Considerations

| | |
|---|---|
| Current Annual Dividend Yield | **5.54%** |
| Annual Dividends per Share | **$2.06** |
| Initial Annual Div's Paid, $10k Investment | **$554.06** |
| Dividend Track Record | **HEALTHY** |
| Dividend Safety | **GOOD** |
| Valuentum Dividend Cushion™ | **1.8** |
| Dividend Growth Potential | **EXCELLENT** |
| Risk of Capital Loss | **MEDIUM** |
| ValueRisk™ (Equity Margin of Safety) | **LOW** |

The Valuentum Dividend Cushion is a ratio that compares the firm's excess cash and cash flow to its future dividend stream. A score above 1 indicates cash flow is sufficient to cover future dividends (higher is better).

## Dividend Strength

| Dividend Safety \ Dividend Growth | Very Poor | Poor | Good | Excellent |
|---|---|---|---|---|
| Excellent | | | | |
| Good | | | | |
| Poor | | | | |
| Very Poor | | | | |

Firms that have safe and growing dividends score at the top right of our scale.

## Company Vitals

| | |
|---|---|
| Market Cap (USD) | $2,166 |
| Avg Weekly Vol (30 wks) | 436 |
| 30-week Range (USD) | 29.83 - 37.18 |
| Valuentum Sector | Energy |
| Last Fiscal Year Revenue | 305 |
| Last Fiscal Year EPS | 1.36 |
| Last Fiscal Year EBITDA | 201 |
| Forward Revenue Growth (5-yr) | 6.5% |
| Forward EPS Growth (5-yr) | 6.3% |

## Dividend Vitals

| | |
|---|---|
| Current Annual Dividend Yield % | 5.5% |
| Annual Dividends Per Share | 2.06 |
| Forward Dividend Payout Ratio | 168.6% |
| 3-yr Historical Dividend CAGR | 6.2% |
| 15-yr Historical Dividend CAGR | NA |
| 3-yr Hist Median Div Payout Ratio | 140.3% |
| 15-yr Hist Median Div Payout Ratio | 61.7% |

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

## Initial Annual Income Per Investment ($)

| # of Shares | Investment ($) | Annual Div's ($) |
|---|---|---|
| 25 | 929.50 | 51.50 |
| 50 | 1,859.00 | 103.00 |
| 100 | 3,718.00 | 206.00 |
| 200 | 7,436.00 | 412.00 |
| 300 | 11,154.00 | 618.00 |
| 400 | 14,872.00 | 824.00 |
| 500 | 18,590.00 | 1,030.00 |
| 1,000 | 37,180.00 | 2,060.00 |
| 2,000 | 74,360.00 | 4,120.00 |
| 5,000 | 185,900.00 | 10,300.00 |
| 10,000 | 371,800.00 | 20,600.00 |
| 50,000 | 1,859,000.00 | 103,000.00 |
| 100,000 | 3,718,000.00 | 206,000.00 |

Initial annual income is based on the firm's current forward annual dividend yield and could be subject to change.

## Dividend Safety / Cushion — GOOD / 1.8

We assess the safety of a firm's dividend by adding the company's net cash to our forecast of its free cash flows over the next five years. We then divide that sum by the total expected dividends over the next five years. This process results in our Dividend Cushion™ ratio. A Dividend Cushion™ above 1 indicates a firm can cover its future dividends with net cash on hand and future free cash flow, while a score below 1 signals trouble may be on the horizon. And by extension, the greater the score, the safer the dividend, as excess cash can be used to offset any unexpected earnings shortfall. Holly Energy scores a 1.8 on our Dividend Cushion™, which is GOOD.

## Dividend Growth Potential — EXCELLENT

We judge the future potential growth of the dividend by evaluating the capacity for future increases, as measured by the Dividend Cushion™, and management's willingness to consistently raise the dividend, as measured by the firm's dividend track record. Holly Energy registers an EXCELLENT rating on our scale, and we think the firm's annual dividend will be $2.46 per share within the next several years.

## Risk of Capital Loss — MEDIUM

We assess the risk of capital loss based on our analysis of a firm's intrinsic value at this point in time. If the stock is undervalued (based on our DCF process), we think the risk of failing to recoup one's original capital investment (ex dividends) is relatively LOW. If the stock is fairly valued (it falls within our fair value estimate range), we think the likelihood of losing capital (ex dividends) is MEDIUM. If the stock is trading above our estimate of its intrinsic value, we think the likelihood of losing at least a portion of one's original investment (ex dividends) is HIGH. Holly Energy registers a score of MEDIUM on our scale.

## Dividend Track Record — HEALTHY

| Fiscal Year | Div's/Share ($) | Div Growth % | EPS ($) | Payout Ratio |
|---|---|---|---|---|
| NA | 0.00 | 0.0 | 0.00 | 0.0% |
| NA | 0.00 | 0.0 | 0.00 | 0.0% |
| NA | 0.00 | 0.0 | 0.00 | 0.0% |
| NA | 0.00 | 0.0 | 0.00 | 0.0% |
| NA | 0.00 | 0.0 | 0.00 | 0.0% |
| NA | 0.44 | 0.0 | 0.80 | 0.0% |
| Dec-05 | 1.12 | 153.4 | 1.70 | 0.0% |
| Dec-06 | 1.30 | 16.1 | 1.60 | 80.9% |
| Dec-07 | 1.40 | 7.7 | 2.26 | 61.7% |
| Dec-08 | 1.48 | 6.1 | 1.34 | 110.4% |
| Dec-09 | 1.56 | 5.4 | 2.12 | 73.6% |
| Dec-10 | 1.64 | 5.1 | 2.12 | 77.4% |
| Dec-11 | 1.72 | 4.9 | 1.34 | 128.4% |
| Dec-12 | 1.81 | 5.2 | 1.29 | 140.3% |
| Dec-13 | 1.93 | 6.6 | 0.89 | 216.9% |
| ***Dec-14*** | ***2.06*** | ***6.7*** | ***1.22*** | ***168.6%*** |
| *Dec-15* | *2.16* | *5.0* | *1.43* | *150.8%* |
| *Dec-16* | *2.27* | *5.0* | *1.58* | *143.5%* |
| *Dec-17* | *2.36* | *4.0* | *1.72* | *137.1%* |
| *Dec-18* | *2.46* | *4.0* | *1.85* | *132.5%* |

Light green shading denotes a dividend increase, while light red shading denotes a dividend decrease. Heavy green shading denotes a significant dividend increase, while heavy red shading denotes a significant dividend decrease or an excessive payout ratio. NA = Not Applicable.

To view our full 16-page equity report on Holly Energy, please visit our website at www.valuentum.com



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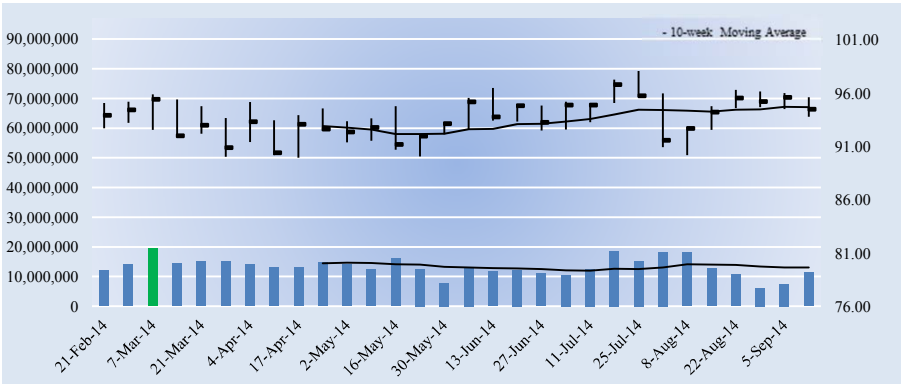
# Honeywell HON FAIRLY VALUED

**Buying Index™** 3 **Value Rating**

| Economic Castle | Stock Fair Value Range | Dividend Track Record | Dividend Safety / Cushion™ | Div Growth Potential | Dividend Yield |
|---|---|---|---|---|---|
| Attractive | $74.00 - $110.00 | HEALTHY | EXCELLENT / 3.1 | EXCELLENT | 1.90% |

## Honeywell's dividend is on solid ground.

### Stock Chart (weekly)




### Key Dividend Considerations

| | |
|---|---|
| Current Annual Dividend Yield | **1.90%** |
| Annual Dividends per Share | **$1.80** |
| Initial Annual Div's Paid, $10k Investment | **$190.48** |
| Dividend Track Record | **HEALTHY** |
| Dividend Safety | **EXCELLENT** |
| Valuentum Dividend Cushion™ | **3.1** |
| Dividend Growth Potential | **EXCELLENT** |
| Risk of Capital Loss | **MEDIUM** |
| ValueRisk™ (Equity Margin of Safety) | **LOW** |

The Valuentum Dividend Cushion is a ratio that compares the firm's excess cash and cash flow to its future dividend stream. A score above 1 indicates cash flow is sufficient to cover future dividends (higher is better).

### Dividend Strength

| Dividend Safety \ Dividend Growth | Very Poor | Poor | Good | Excellent |
|---|---|---|---|---|
| Excellent | | | | |
| Good | | | | |
| Poor | | | | |
| Very Poor | | | | |

Firms that have safe and growing dividends score at the top right of our scale.

### Company Vitals

| | |
|---|---|
| Market Cap (USD) | $75,345 |
| Avg Weekly Vol (30 wks) | 13,234 |
| 30-week Range (USD) | 89.96 - 98.09 |
| Valuentum Sector | Industrials |
| Last Fiscal Year Revenue | 39,055 |
| Last Fiscal Year EPS | 4.92 |
| Last Fiscal Year EBITDA | 6,490 |
| Forward Revenue Growth (5-yr) | 4.7% |
| Forward EPS Growth (5-yr) | 9.9% |

### Dividend Vitals

| | |
|---|---|
| Current Annual Dividend Yield % | 1.9% |
| Annual Dividends Per Share | 1.80 |
| Forward Dividend Payout Ratio | 32.2% |
| 3-yr Historical Dividend CAGR | 9.5% |
| 15-yr Historical Dividend CAGR | 6.7% |
| 3-yr Hist Median Div Payout Ratio | 41.5% |
| 15-yr Hist Median Div Payout Ratio | 36.6% |

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

### Initial Annual Income Per Investment ($)

| # of Shares | Investment ($) | Annual Div's ($) |
|---|---|---|
| 25 | 2,362.50 | 45.00 |
| 50 | 4,725.00 | 90.00 |
| 100 | 9,450.00 | 180.00 |
| 200 | 18,900.00 | 360.00 |
| 300 | 28,350.00 | 540.00 |
| 400 | 37,800.00 | 720.00 |
| 500 | 47,250.00 | 900.00 |
| 1,000 | 94,500.00 | 1,800.00 |
| 2,000 | 189,000.00 | 3,600.00 |
| 5,000 | 472,500.00 | 9,000.00 |
| 10,000 | 945,000.00 | 18,000.00 |
| 50,000 | 4,725,000.00 | 90,000.00 |
| 100,000 | 9,450,000.00 | 180,000.00 |

Initial annual income is based on the firm's current forward annual dividend yield and could be subject to change.

### Dividend Safety / Cushion — EXCELLENT / 3.1

We assess the safety of a firm's dividend by adding the company's net cash to our forecast of its free cash flows over the next five years. We then divide that sum by the total expected dividends over the next five years. This process results in our Dividend Cushion™ ratio. A Dividend Cushion™ above 1 indicates a firm can cover its future dividends with net cash on hand and future free cash flow, while a score below 1 signals trouble may be on the horizon. And by extension, the greater the score, the safer the dividend, as excess cash can be used to offset any unexpected earnings shortfall. Honeywell scores a 3.1 on our Dividend Cushion™, which is EXCELLENT.

### Dividend Growth Potential — EXCELLENT

We judge the future potential growth of the dividend by evaluating the capacity for future increases, as measured by the Dividend Cushion™, and management's willingness to consistently raise the dividend, as measured by the firm's dividend track record. Honeywell registers an EXCELLENT rating on our scale, and we think the firm's annual dividend will be $2.45 per share within the next several years.

### Risk of Capital Loss — MEDIUM

We assess the risk of capital loss based on our analysis of a firm's intrinsic value at this point in time. If the stock is undervalued (based on our DCF process), we think the risk of failing to recoup one's original capital investment (ex dividends) is relatively LOW. If the stock is fairly valued (it falls within our fair value estimate range), we think the likelihood of losing capital (ex dividends) is MEDIUM. If the stock is trading above our estimate of its intrinsic value, we think the likelihood of losing at least a portion of one's original investment (ex dividends) is HIGH. Honeywell registers a score of MEDIUM on our scale.

### Dividend Track Record — HEALTHY

| Fiscal Year | Div's/Share ($) | Div Growth % | EPS ($) | Payout Ratio |
|---|---|---|---|---|
| Dec-99 | 0.68 | 0.0 | 1.90 | 35.8% |
| Dec-00 | 0.75 | 10.3 | 2.05 | 36.6% |
| Dec-01 | 0.75 | 0.0 | -0.12 | -625.0% |
| Dec-02 | 0.75 | 0.0 | -0.27 | -277.8% |
| Dec-03 | 0.75 | 0.0 | 1.56 | 48.1% |
| Dec-04 | 0.75 | 0.0 | 1.49 | 50.3% |
| Dec-05 | 0.83 | 10.7 | 1.86 | 44.6% |
| Dec-06 | 0.91 | 9.6 | 2.51 | 36.3% |
| Dec-07 | 1.00 | 9.9 | 3.16 | 31.6% |
| Dec-08 | 1.10 | 10.0 | 3.76 | 29.3% |
| Dec-09 | 1.21 | 10.0 | 2.85 | 42.5% |
| Dec-10 | 1.21 | 0.0 | 2.59 | 46.7% |
| Dec-11 | 1.37 | 13.2 | 2.35 | 58.3% |
| Dec-12 | 1.53 | 11.7 | 3.69 | 41.5% |
| Dec-13 | 1.68 | 9.8 | 4.92 | 34.1% |
| ***Dec-14*** | ***1.80*** | ***7.1*** | ***5.60*** | ***32.2%*** |
| *Dec-15* | *1.94* | *8.0* | *6.21* | *31.3%* |
| *Dec-16* | *2.10* | *8.0* | *6.77* | *31.0%* |
| *Dec-17* | *2.27* | *8.0* | *7.32* | *31.0%* |
| *Dec-18* | *2.45* | *8.0* | *7.88* | *31.1%* |

Light green shading denotes a dividend increase, while light red shading denotes a dividend decrease. Heavy green shading denotes a significant dividend increase, while heavy red shading denotes a significant dividend decrease or an excessive payout ratio. NA = Not Applicable.

To view our full 16-page equity report on Honeywell, please visit our website at www.valuentum.com



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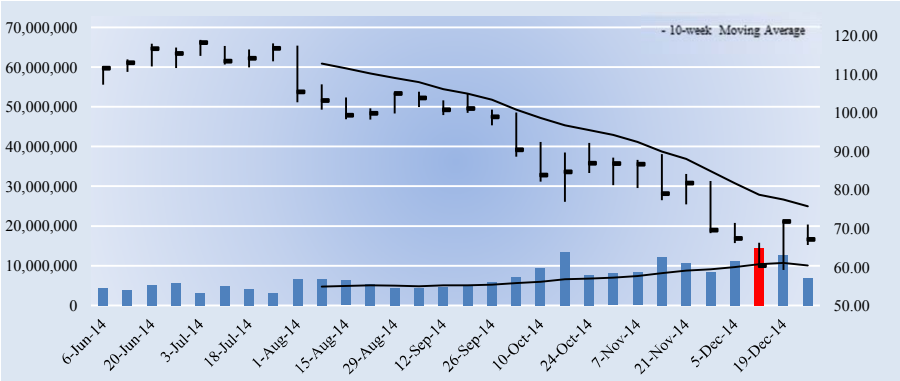
# Helmerich & Payne HP FAIRLY VALUED

**Buying Index™** 5 **Value Rating**

| Economic Castle | Stock Fair Value Range | Dividend Track Record | Dividend Safety / Cushion™ | Div Growth Potential | Dividend Yield |
|---|---|---|---|---|---|
| Attractive | $66.00 - $100.00 | HEALTHY | GOOD / 1.4 | EXCELLENT | 4.09% |

## Helmerich & Payne has stepped up its dividend payout in a big way.

### Stock Chart (weekly)




### Company Vitals

| | |
|---|---|
| Market Cap (USD) | $7,333 |
| Avg Weekly Vol (30 wks) | 7,122 |
| 30-week Range (USD) | 59.24 - 118.95 |
| Valuentum Sector | Energy |
| Last Fiscal Year Revenue | 3,720 |
| Last Fiscal Year EPS | 6.49 |
| Last Fiscal Year EBITDA | 1,559 |
| Forward Revenue Growth (5-yr) | 4.7% |
| Forward EPS Growth (5-yr) | 4.0% |

### Dividend Vitals

| | |
|---|---|
| Current Annual Dividend Yield % | 4.1% |
| Annual Dividends Per Share | 2.75 |
| Forward Dividend Payout Ratio | 46.5% |
| 3-yr Historical Dividend CAGR | 114.2% |
| 15-yr Historical Dividend CAGR | 22.0% |
| 3-yr Hist Median Div Payout Ratio | 13.1% |
| 15-yr Hist Median Div Payout Ratio | 10.6% |

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

### Initial Annual Income Per Investment ($)

| # of Shares | Investment ($) | Annual Div's ($) |
|---|---|---|
| 25 | 1,679.75 | 68.75 |
| 50 | 3,359.50 | 137.50 |
| 100 | 6,719.00 | 275.00 |
| 200 | 13,438.00 | 550.00 |
| 300 | 20,157.00 | 825.00 |
| 400 | 26,876.00 | 1,100.00 |
| 500 | 33,595.00 | 1,375.00 |
| 1,000 | 67,190.00 | 2,750.00 |
| 2,000 | 134,380.00 | 5,500.00 |
| 5,000 | 335,950.00 | 13,750.00 |
| 10,000 | 671,900.00 | 27,500.00 |
| 50,000 | 3,359,500.00 | 137,500.00 |
| 100,000 | 6,719,000.00 | 275,000.00 |

Initial annual income is based on the firm's current forward annual dividend yield and could be subject to change.

### Dividend Safety / Cushion — GOOD / 1.4

We assess the safety of a firm's dividend by adding the company's net cash to our forecast of its free cash flows over the next five years. We then divide that sum by the total expected dividends over the next five years. This process results in our Dividend Cushion™ ratio. A Dividend Cushion™ above 1 indicates a firm can cover its future dividends with net cash on hand and future free cash flow, while a score below 1 signals trouble may be on the horizon. And by extension, the greater the score, the safer the dividend, as excess cash can be used to offset any unexpected earnings shortfall. Helmerich & Payne scores a 1.4 on our Dividend Cushion™, which is GOOD.

### Dividend Growth Potential — EXCELLENT

We judge the future potential growth of the dividend by evaluating the capacity for future increases, as measured by the Dividend Cushion™, and management's willingness to consistently raise the dividend, as measured by the firm's dividend track record. Helmerich & Payne registers an EXCELLENT rating on our scale, and we think the firm's annual dividend will be $3.84 per share within the next several years.

### Risk of Capital Loss — MEDIUM

We assess the risk of capital loss based on our analysis of a firm's intrinsic value at this point in time. If the stock is undervalued (based on our DCF process), we think the risk of failing to recoup one's original capital investment (ex dividends) is relatively LOW. If the stock is fairly valued (it falls within our fair value estimate range), we think the likelihood of losing capital (ex dividends) is MEDIUM. If the stock is trading above our estimate of its intrinsic value, we think the likelihood of losing at least a portion of one's original investment (ex dividends) is HIGH. Helmerich & Payne registers a score of MEDIUM on our scale.

### Key Dividend Considerations

| | |
|---|---|
| Current Annual Dividend Yield | **4.09%** |
| Annual Dividends per Share | **$2.75** |
| Initial Annual Div's Paid, $10k Investment | **$409.29** |
| Dividend Track Record | **HEALTHY** |
| Dividend Safety | **GOOD** |
| Valuentum Dividend Cushion™ | **1.4** |
| Dividend Growth Potential | **EXCELLENT** |
| Risk of Capital Loss | **MEDIUM** |
| ValueRisk™ (Equity Margin of Safety) | **LOW** |

The Valuentum Dividend Cushion is a ratio that compares the firm's excess cash and cash flow to its future dividend stream. A score above 1 indicates cash flow is sufficient to cover future dividends (higher is better).

### Dividend Strength

| Dividend Safety \ Dividend Growth | Very Poor | Poor | Good | Excellent |
|---|---|---|---|---|
| Excellent | | | | |
| Good | | | | |
| Poor | | | | |
| Very Poor | | | | |

Firms that have safe and growing dividends score at the top right of our scale.

### Dividend Track Record — HEALTHY

| Fiscal Year | Div's/Share ($) | Div Growth % | EPS ($) | Payout Ratio |
|---|---|---|---|---|
| Sep-00 | 0.14 | 0.0 | 0.82 | 17.1% |
| Sep-01 | 0.15 | 7.1 | 1.42 | 10.6% |
| Sep-02 | 0.15 | 0.0 | 0.54 | 27.8% |
| Sep-03 | 0.16 | 6.7 | 0.18 | 88.9% |
| Sep-04 | 0.16 | 0.0 | 0.05 | 320.0% |
| Sep-05 | 0.17 | 6.3 | 1.23 | 13.8% |
| Sep-06 | 0.17 | 0.0 | 2.77 | 6.1% |
| Sep-07 | 0.18 | 5.9 | 4.27 | 4.2% |
| Sep-08 | 0.19 | 5.6 | 4.34 | 4.4% |
| Sep-09 | 0.20 | 5.3 | 3.32 | 6.0% |
| Sep-10 | 0.21 | 5.0 | 2.66 | 7.9% |
| Sep-11 | 0.25 | 19.0 | 3.99 | 6.3% |
| Sep-12 | 0.28 | 12.0 | 5.27 | 5.3% |
| Sep-13 | 0.87 | 210.7 | 6.65 | 13.1% |
| Sep-14 | 2.44 | 180.5 | 6.46 | 37.8% |
| ***Sep-15*** | ***2.75*** | ***12.7*** | ***5.91*** | ***46.5%*** |
| *Sep-16* | *3.08* | *12.0* | *5.67* | *54.4%* |
| *Sep-17* | *3.39* | *10.0* | *6.33* | *53.5%* |
| *Sep-18* | *3.66* | *8.0* | *7.07* | *51.8%* |
| *Sep-19* | *3.84* | *5.0* | *7.90* | *48.6%* |

Light green shading denotes a dividend increase, while light red shading denotes a dividend decrease. Heavy green shading denotes a significant dividend increase, while heavy red shading denotes a significant dividend decrease or an excessive payout ratio. NA = Not Applicable.

To view our full 16-page equity report on Helmerich & Payne, please visit our website at www.valuentum.com



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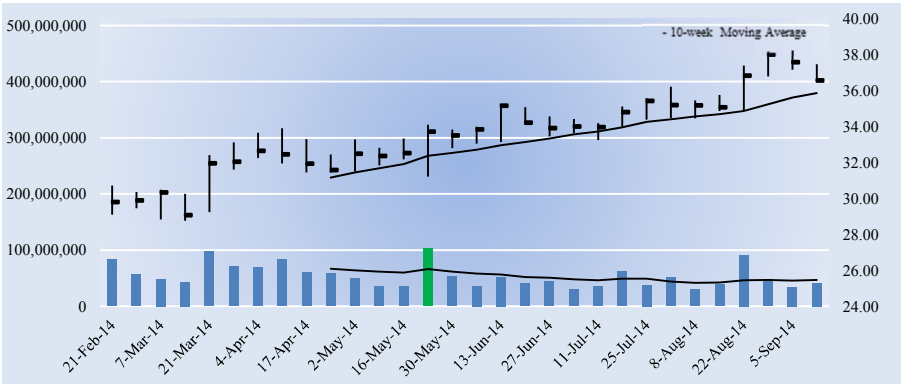
# Hewlett-Packard HPQ FAIRLY VALUED

**Buying Index™** 6 **Value Rating**

| Economic Castle | Stock Fair Value Range | Dividend Track Record | Dividend Safety / Cushion™ | Div Growth Potential | Dividend Yield |
|---|---|---|---|---|---|
| Attractive | $30.00 - $44.00 | HEALTHY | EXCELLENT / 4.8 | EXCELLENT | 1.75% |

**Though Hewlett-Packard has a solid Dividend Cushion ratio, the firm's turnaround could make the dividend more risky than our projections suggest.**

## Stock Chart (weekly)




## Key Dividend Considerations

| | |
|---|---|
| Current Annual Dividend Yield | **1.75%** |
| Annual Dividends per Share | **$0.64** |
| Initial Annual Div's Paid, $10k Investment | **$175.05** |
| Dividend Track Record | **HEALTHY** |
| Dividend Safety | **EXCELLENT** |
| Valuentum Dividend Cushion™ | **4.8** |
| Dividend Growth Potential | **EXCELLENT** |
| Risk of Capital Loss | **MEDIUM** |
| ValueRisk™ (Equity Margin of Safety) | **LOW** |

The Valuentum Dividend Cushion is a ratio that compares the firm's excess cash and cash flow to its future dividend stream. A score above 1 indicates cash flow is sufficient to cover future dividends (higher is better).

## Dividend Strength

| Dividend Safety \ Dividend Growth | Very Poor | Poor | Good | Excellent |
|---|---|---|---|---|
| Excellent | | | | |
| Good | | | | |
| Poor | | | | |
| Very Poor | | | | |

Firms that have safe and growing dividends score at the top right of our scale.

## Company Vitals

| | |
|---|---|
| Market Cap (USD) | $71,292 |
| Avg Weekly Vol (30 wks) | 53,851 |
| 30-week Range (USD) | 28.75 - 38.25 |
| Valuentum Sector | Information Technology |
| Last Fiscal Year Revenue | 112,298 |
| Last Fiscal Year EPS | 2.62 |
| Last Fiscal Year EBITDA | 12,754 |
| Forward Revenue Growth (5-yr) | -0.8% |
| Forward EPS Growth (5-yr) | 9.3% |

## Dividend Vitals

| | |
|---|---|
| Current Annual Dividend Yield % | 1.8% |
| Annual Dividends Per Share | 0.64 |
| Forward Dividend Payout Ratio | 17.0% |
| 3-yr Historical Dividend CAGR | 17.0% |
| 15-yr Historical Dividend CAGR | 4.7% |
| 3-yr Hist Median Div Payout Ratio | 12.0% |
| 15-yr Hist Median Div Payout Ratio | 14.7% |

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

## Initial Annual Income Per Investment ($)

| # of Shares | Investment ($) | Annual Div's ($) |
|---|---|---|
| 25 | 914.00 | 16.00 |
| 50 | 1,828.00 | 32.00 |
| 100 | 3,656.00 | 64.00 |
| 200 | 7,312.00 | 128.00 |
| 300 | 10,968.00 | 192.00 |
| 400 | 14,624.00 | 256.00 |
| 500 | 18,280.00 | 320.00 |
| 1,000 | 36,560.00 | 640.00 |
| 2,000 | 73,120.00 | 1,280.00 |
| 5,000 | 182,800.00 | 3,200.00 |
| 10,000 | 365,600.00 | 6,400.00 |
| 50,000 | 1,828,000.00 | 32,000.00 |
| 100,000 | 3,656,000.00 | 64,000.00 |

Initial annual income is based on the firm's current forward annual dividend yield and could be subject to change.

## Dividend Safety / Cushion — EXCELLENT / 4.8

We assess the safety of a firm's dividend by adding the company's net cash to our forecast of its free cash flows over the next five years. We then divide that sum by the total expected dividends over the next five years. This process results in our Dividend Cushion™ ratio. A Dividend Cushion™ above 1 indicates a firm can cover its future dividends with net cash on hand and future free cash flow, while a score below 1 signals trouble may be on the horizon. And by extension, the greater the score, the safer the dividend, as excess cash can be used to offset any unexpected earnings shortfall. Hewlett-Packard scores a 4.8 on our Dividend Cushion™, which is EXCELLENT.

## Dividend Growth Potential — EXCELLENT

We judge the future potential growth of the dividend by evaluating the capacity for future increases, as measured by the Dividend Cushion™, and management's willingness to consistently raise the dividend, as measured by the firm's dividend track record. Hewlett-Packard registers an EXCELLENT rating on our scale, and we think the firm's annual dividend will be $0.76 per share within the next several years.

## Risk of Capital Loss — MEDIUM

We assess the risk of capital loss based on our analysis of a firm's intrinsic value at this point in time. If the stock is undervalued (based on our DCF process), we think the risk of failing to recoup one's original capital investment (ex dividends) is relatively LOW. If the stock is fairly valued (it falls within our fair value estimate range), we think the likelihood of losing capital (ex dividends) is MEDIUM. If the stock is trading above our estimate of its intrinsic value, we think the likelihood of losing at least a portion of one's original investment (ex dividends) is HIGH. Hewlett-Packard registers a score of MEDIUM on our scale.

## Dividend Track Record — HEALTHY

| Fiscal Year | Div's/Share ($) | Div Growth % | EPS ($) | Payout Ratio |
|---|---|---|---|---|
| Oct-99 | 0.32 | 0.0 | 1.49 | 21.5% |
| Oct-00 | 0.32 | 0.0 | 1.73 | 18.5% |
| Oct-01 | 0.32 | 0.0 | 0.32 | 100.0% |
| Oct-02 | 0.32 | 0.0 | -0.37 | -86.5% |
| Oct-03 | 0.32 | 0.0 | 0.83 | 38.6% |
| Oct-04 | 0.32 | 0.0 | 1.15 | 27.8% |
| Oct-05 | 0.32 | 0.0 | 0.82 | 39.0% |
| Oct-06 | 0.32 | 0.0 | 2.18 | 14.7% |
| Oct-07 | 0.32 | 0.0 | 2.68 | 11.9% |
| Oct-08 | 0.32 | 0.0 | 3.25 | 9.8% |
| Oct-09 | 0.32 | 0.0 | 3.14 | 10.2% |
| Oct-10 | 0.32 | 0.0 | 3.69 | 8.7% |
| Oct-11 | 0.40 | 25.0 | 3.32 | 12.0% |
| Oct-12 | 0.50 | 25.0 | -6.41 | -7.8% |
| Oct-13 | 0.55 | 10.0 | 2.62 | 21.0% |
| ***Oct-14*** | ***0.64*** | ***16.4*** | ***3.77*** | ***17.0%*** |
| *Oct-15* | *0.68* | *6.0* | *3.99* | *17.0%* |
| *Oct-16* | *0.72* | *6.0* | *4.03* | *17.8%* |
| *Oct-17* | *0.74* | *3.0* | *4.07* | *18.2%* |
| *Oct-18* | *0.76* | *3.0* | *4.10* | *18.6%* |

Light green shading denotes a dividend increase, while light red shading denotes a dividend decrease. Heavy green shading denotes a significant dividend increase, while heavy red shading denotes a significant dividend decrease or an excessive payout ratio. NA = Not Applicable.

To view our full 16-page equity report on Hewlett-Packard, please visit our website at www.valuentum.com



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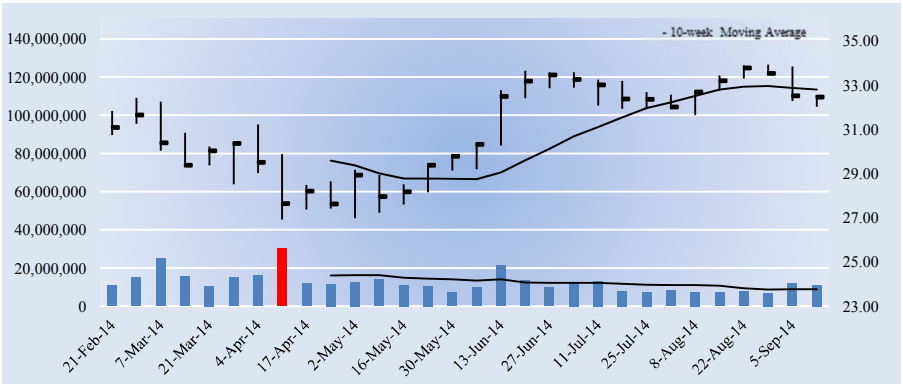
# H&R Block HRB FAIRLY VALUED

**Buying Index™** 3 **Value Rating**

| Economic Castle | Stock Fair Value Range | Dividend Track Record | Dividend Safety / Cushion™ | Div Growth Potential | Dividend Yield |
|---|---|---|---|---|---|
| Highest Rated | $28.00 - $42.00 | HEALTHY | EXCELLENT / 4.4 | GOOD | 2.47% |

## H&R Block's Dividend Cushion ratio is excellent.

### Stock Chart (weekly)




### Key Dividend Considerations

| | |
|---|---|
| Current Annual Dividend Yield | **2.47%** |
| Annual Dividends per Share | **$0.80** |
| Initial Annual Div's Paid, $10k Investment | **$246.53** |
| Dividend Track Record | **HEALTHY** |
| Dividend Safety | **EXCELLENT** |
| Valuentum Dividend Cushion™ | **4.4** |
| Dividend Growth Potential | **GOOD** |
| Risk of Capital Loss | **MEDIUM** |
| ValueRisk™ (Equity Margin of Safety) | **LOW** |

The Valuentum Dividend Cushion is a ratio that compares the firm's excess cash and cash flow to its future dividend stream. A score above 1 indicates cash flow is sufficient to cover future dividends (higher is better).

### Dividend Strength

| Dividend Safety \ Dividend Growth | Very Poor | Poor | Good | Excellent |
|---|---|---|---|---|
| Excellent | | | ■ | |
| Good | | | | |
| Poor | | | | |
| Very Poor | | | | |

Firms that have safe and growing dividends score at the top right of our scale.

### Company Vitals

| | |
|---|---|
| Market Cap (USD) | $8,957 |
| Avg Weekly Vol (30 wks) | 12,408 |
| 30-week Range (USD) | 26.92 - 33.92 |
| Valuentum Sector | Consumer Discretionary |
| Last Fiscal Year Revenue | 3,024 |
| Last Fiscal Year EPS | 1.81 |
| Last Fiscal Year EBITDA | 781 |
| Forward Revenue Growth (5-yr) | 4.0% |
| Forward EPS Growth (5-yr) | 7.3% |

### Dividend Vitals

| | |
|---|---|
| Current Annual Dividend Yield % | 2.5% |
| Annual Dividends Per Share | 0.80 |
| Forward Dividend Payout Ratio | 40.2% |
| 3-yr Historical Dividend CAGR | 4.6% |
| 15-yr Historical Dividend CAGR | NA |
| 3-yr Hist Median Div Payout Ratio | 47.3% |
| 15-yr Hist Median Div Payout Ratio | 38.6% |

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

### Initial Annual Income Per Investment ($)

| # of Shares | Investment ($) | Annual Div's ($) |
|---|---|---|
| 25 | 811.25 | 20.00 |
| 50 | 1,622.50 | 40.00 |
| 100 | 3,245.00 | 80.00 |
| 200 | 6,490.00 | 160.00 |
| 300 | 9,735.00 | 240.00 |
| 400 | 12,980.00 | 320.00 |
| 500 | 16,225.00 | 400.00 |
| 1,000 | 32,450.00 | 800.00 |
| 2,000 | 64,900.00 | 1,600.00 |
| 5,000 | 162,250.00 | 4,000.00 |
| 10,000 | 324,500.00 | 8,000.00 |
| 50,000 | 1,622,500.00 | 40,000.00 |
| 100,000 | 3,245,000.00 | 80,000.00 |

Initial annual income is based on the firm's current forward annual dividend yield and could be subject to change.

### Dividend Safety / Cushion — EXCELLENT / 4.4

We assess the safety of a firm's dividend by adding the company's net cash to our forecast of its free cash flows over the next five years. We then divide that sum by the total expected dividends over the next five years. This process results in our Dividend Cushion™ ratio. A Dividend Cushion™ above 1 indicates a firm can cover its future dividends with net cash on hand and future free cash flow, while a score below 1 signals trouble may be on the horizon. And by extension, the greater the score, the safer the dividend, as excess cash can be used to offset any unexpected earnings shortfall. H&R Block scores a 4.4 on our Dividend Cushion™, which is EXCELLENT.

### Dividend Growth Potential — GOOD

We judge the future potential growth of the dividend by evaluating the capacity for future increases, as measured by the Dividend Cushion™, and management's willingness to consistently raise the dividend, as measured by the firm's dividend track record. H&R Block registers an GOOD rating on our scale, and we think the firm's annual dividend will be $1.13 per share within the next several years.

### Risk of Capital Loss — MEDIUM

We assess the risk of capital loss based on our analysis of a firm's intrinsic value at this point in time. If the stock is undervalued (based on our DCF process), we think the risk of failing to recoup one's original capital investment (ex dividends) is relatively LOW. If the stock is fairly valued (it falls within our fair value estimate range), we think the likelihood of losing capital (ex dividends) is MEDIUM. If the stock is trading above our estimate of its intrinsic value, we think the likelihood of losing at least a portion of one's original investment (ex dividends) is HIGH. H&R Block registers a score of MEDIUM on our scale.

### Dividend Track Record — HEALTHY

| Fiscal Year | Div's/Share ($) | Div Growth % | EPS ($) | Payout Ratio |
|---|---|---|---|---|
| Apr-00 | NA | 0.0 | 0.64 | 0.0% |
| Apr-01 | NA | 0.0 | 0.75 | 0.0% |
| Apr-02 | 0.32 | 0.0 | 1.16 | 27.6% |
| Apr-03 | 0.35 | 9.4 | 1.58 | 22.2% |
| Apr-04 | 0.39 | 11.4 | 1.95 | 20.0% |
| Apr-05 | 0.43 | 10.3 | 1.89 | 22.8% |
| Apr-06 | 0.49 | 14.0 | 1.47 | 33.3% |
| Apr-07 | 0.53 | 8.2 | 1.15 | 46.1% |
| Apr-08 | 0.56 | 5.7 | 1.39 | 40.3% |
| Apr-09 | 0.59 | 5.4 | 1.53 | 38.6% |
| Apr-10 | 0.60 | 1.7 | 1.46 | 41.1% |
| Apr-11 | 0.60 | 0.0 | 1.35 | 44.4% |
| Apr-12 | 0.70 | 16.7 | 1.16 | 60.3% |
| Apr-13 | 0.80 | 14.3 | 1.69 | 47.3% |
| Apr-14 | 0.80 | 0.0 | 1.81 | 44.2% |
| ***Apr-15*** | ***0.80*** | ***0.0*** | ***1.99*** | ***40.2%*** |
| *Apr-16* | *0.88* | *10.0* | *2.28* | *38.6%* |
| *Apr-17* | *0.97* | *10.0* | *2.38* | *40.7%* |
| *Apr-18* | *1.05* | *8.0* | *2.48* | *42.2%* |
| *Apr-19* | *1.13* | *8.0* | *2.57* | *43.9%* |

Light green shading denotes a dividend increase, while light red shading denotes a dividend decrease. Heavy green shading denotes a significant dividend increase, while heavy red shading denotes a significant dividend decrease or an excessive payout ratio. NA = Not Applicable.

To view our full 16-page equity report on H&R Block, please visit our website at www.valuentum.com



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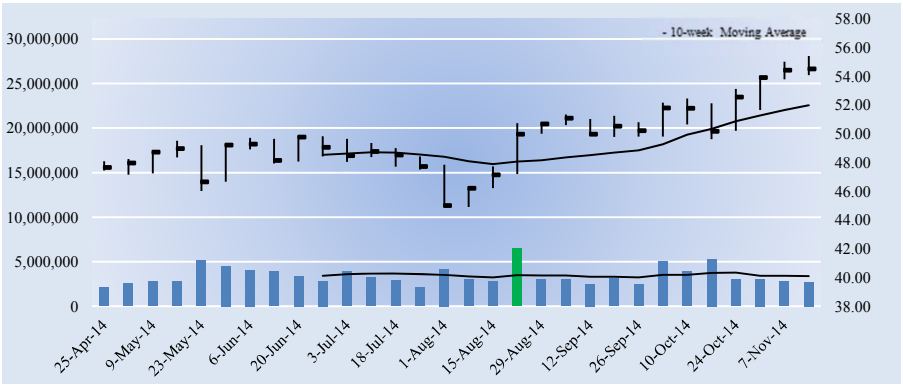
# Hormel Foods HRL OVERVALUED 0.9%

**Buying Index™** 4 **Value Rating**

| Economic Castle | Stock Fair Value Range | Dividend Track Record | Dividend Safety / Cushion™ | Div Growth Potential | Dividend Yield |
|---|---|---|---|---|---|
| Attractive | $36.00 - $54.00 | HEALTHY | EXCELLENT / 3.1 | EXCELLENT | 1.47% |

**Hormel has posted over 45+ years of consecutive dividend increases.**

## Stock Chart (weekly)




## Key Dividend Considerations

| | |
|---|---|
| Current Annual Dividend Yield | **1.47%** |
| Annual Dividends per Share | **$0.80** |
| Initial Annual Div's Paid, $10k Investment | **$146.79** |
| Dividend Track Record | **HEALTHY** |
| Dividend Safety | **EXCELLENT** |
| Valuentum Dividend Cushion™ | **3.1** |
| Dividend Growth Potential | **EXCELLENT** |
| Risk of Capital Loss | **HIGH** |
| ValueRisk™ (Equity Margin of Safety) | **LOW** |

The Valuentum Dividend Cushion is a ratio that compares the firm's excess cash and cash flow to its future dividend stream. A score above 1 indicates cash flow is sufficient to cover future dividends (higher is better).

## Dividend Strength

| Dividend Safety \ Dividend Growth | Very Poor | Poor | Good | Excellent |
|---|---|---|---|---|
| Excellent | | | | |
| Good | | | | |
| Poor | | | | |
| Very Poor | | | | |

Firms that have safe and growing dividends score at the top right of our scale.

## Company Vitals

| | |
|---|---|
| Market Cap (USD) | $14,727 |
| Avg Weekly Vol (30 wks) | 3,417 |
| 30-week Range (USD) | 44.91 - 55.4 |
| Valuentum Sector | Consumer Staples |
| Last Fiscal Year Revenue | 8,752 |
| Last Fiscal Year EPS | 1.95 |
| Last Fiscal Year EBITDA | 910 |
| Forward Revenue Growth (5-yr) | 5.9% |
| Forward EPS Growth (5-yr) | 15.6% |

## Dividend Vitals

| | |
|---|---|
| Current Annual Dividend Yield % | 1.5% |
| Annual Dividends Per Share | 0.80 |
| Forward Dividend Payout Ratio | 35.4% |
| 3-yr Historical Dividend CAGR | 24.0% |
| 15-yr Historical Dividend CAGR | NA |
| 3-yr Hist Median Div Payout Ratio | 27.4% |
| 15-yr Hist Median Div Payout Ratio | 0.0% |

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

## Initial Annual Income Per Investment ($)

| # of Shares | Investment ($) | Annual Div's ($) |
|---|---|---|
| 25 | 1,362.50 | 20.00 |
| 50 | 2,725.00 | 40.00 |
| 100 | 5,450.00 | 80.00 |
| 200 | 10,900.00 | 160.00 |
| 300 | 16,350.00 | 240.00 |
| 400 | 21,800.00 | 320.00 |
| 500 | 27,250.00 | 400.00 |
| 1,000 | 54,500.00 | 800.00 |
| 2,000 | 109,000.00 | 1,600.00 |
| 5,000 | 272,500.00 | 4,000.00 |
| 10,000 | 545,000.00 | 8,000.00 |
| 50,000 | 2,725,000.00 | 40,000.00 |
| 100,000 | 5,450,000.00 | 80,000.00 |

Initial annual income is based on the firm's current forward annual dividend yield and could be subject to change.

## Dividend Safety / Cushion — EXCELLENT / 3.1

We assess the safety of a firm's dividend by adding the company's net cash to our forecast of its free cash flows over the next five years. We then divide that sum by the total expected dividends over the next five years. This process results in our Dividend Cushion™ ratio. A Dividend Cushion™ above 1 indicates a firm can cover its future dividends with net cash on hand and future free cash flow, while a score below 1 signals trouble may be on the horizon. And by extension, the greater the score, the safer the dividend, as excess cash can be used to offset any unexpected earnings shortfall. Hormel Foods scores a 3.1 on our Dividend Cushion™, which is EXCELLENT.

## Dividend Growth Potential — EXCELLENT

We judge the future potential growth of the dividend by evaluating the capacity for future increases, as measured by the Dividend Cushion™, and management's willingness to consistently raise the dividend, as measured by the firm's dividend track record. Hormel Foods registers an EXCELLENT rating on our scale, and we think the firm's annual dividend will be $1.15 per share within the next several years.

## Risk of Capital Loss — HIGH

We assess the risk of capital loss based on our analysis of a firm's intrinsic value at this point in time. If the stock is undervalued (based on our DCF process), we think the risk of failing to recoup one's original capital investment (ex dividends) is relatively LOW. If the stock is fairly valued (it falls within our fair value estimate range), we think the likelihood of losing capital (ex dividends) is MEDIUM. If the stock is trading above our estimate of its intrinsic value, we think the likelihood of losing at least a portion of one's original investment (ex dividends) is HIGH. Hormel Foods registers a score of HIGH on our scale.

## Dividend Track Record — HEALTHY

| Fiscal Year | Div's/Share ($) | Div Growth % | EPS ($) | Payout Ratio |
|---|---|---|---|---|
| Oct-99 | NA | 0.0 | 1.11 | 0.0% |
| Oct-00 | NA | 0.0 | 1.20 | 0.0% |
| Oct-01 | NA | 0.0 | 1.30 | 0.0% |
| Oct-02 | NA | 0.0 | 1.35 | 0.0% |
| Oct-03 | NA | 0.0 | 1.33 | 0.0% |
| Oct-04 | NA | 0.0 | 1.65 | 0.0% |
| Oct-05 | NA | 0.0 | 1.82 | 0.0% |
| Oct-06 | NA | 0.0 | 2.05 | 0.0% |
| Oct-07 | NA | 0.0 | 2.17 | 0.0% |
| Oct-08 | NA | 0.0 | 2.08 | 0.0% |
| Oct-09 | 0.38 | 0.0 | 1.27 | 29.9% |
| Oct-10 | 0.42 | 0.0 | 1.46 | 28.8% |
| Oct-11 | 0.42 | 0.0 | 1.74 | 24.1% |
| Oct-12 | 0.51 | 21.4 | 1.86 | 27.4% |
| Oct-13 | 0.68 | 33.3 | 1.95 | 34.9% |
| ***Oct-14*** | ***0.80*** | ***17.6*** | ***2.26*** | ***35.4%*** |
| *Oct-15* | *0.90* | *12.0* | *2.63* | *34.1%* |
| *Oct-16* | *0.99* | *10.0* | *3.05* | *32.3%* |
| *Oct-17* | *1.06* | *8.0* | *3.51* | *30.3%* |
| *Oct-18* | *1.15* | *8.0* | *4.01* | *28.6%* |

Light green shading denotes a dividend increase, while light red shading denotes a dividend decrease. Heavy green shading denotes a significant dividend increase, while heavy red shading denotes a significant dividend decrease or an excessive payout ratio. NA = Not Applicable.

To view our full 16-page equity report on Hormel Foods, please visit our website at www.valuentum.com



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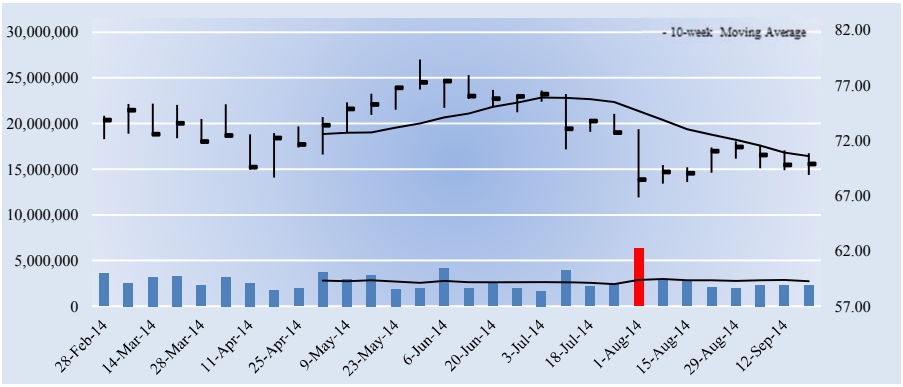
# Harris Corp HRS FAIRLY VALUED

**Buying Index™** 3 **Value Rating**

| Economic Castle | Stock Fair Value Range | Dividend Track Record | Dividend Safety / Cushion™ | Div Growth Potential | Dividend Yield |
|---|---|---|---|---|---|
| Attractive | $54.00 - $90.00 | HEALTHY | GOOD / 1.9 | EXCELLENT | 2.40% |

## Harris continues to raise its dividend at a nice clip.

### Stock Chart (weekly)




### Company Vitals

| | |
|---|---|
| Market Cap (USD) | $7,770 |
| Avg Weekly Vol (30 wks) | 2,719 |
| 30-week Range (USD) | 66.85 - 79.32 |
| Valuentum Sector | Information Technology |
| Last Fiscal Year Revenue | 5,112 |
| Last Fiscal Year EPS | 4.19 |
| Last Fiscal Year EBITDA | 1,033 |
| Forward Revenue Growth (5-yr) | -0.2% |
| Forward EPS Growth (5-yr) | 7.3% |

### Dividend Vitals

| | |
|---|---|
| Current Annual Dividend Yield % | 2.4% |
| Annual Dividends Per Share | 1.68 |
| Forward Dividend Payout Ratio | 34.2% |
| 3-yr Historical Dividend CAGR | 18.9% |
| 15-yr Historical Dividend CAGR | NA |
| 3-yr Hist Median Div Payout Ratio | 25.4% |
| 15-yr Hist Median Div Payout Ratio | 18.7% |

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

### Initial Annual Income Per Investment ($)

| # of Shares | Investment ($) | Annual Div's ($) |
|---|---|---|
| 25 | 1,746.75 | 42.00 |
| 50 | 3,493.50 | 84.00 |
| 100 | 6,987.00 | 168.00 |
| 200 | 13,974.00 | 336.00 |
| 300 | 20,961.00 | 504.00 |
| 400 | 27,948.00 | 672.00 |
| 500 | 34,935.00 | 840.00 |
| 1,000 | 69,870.00 | 1,680.00 |
| 2,000 | 139,740.00 | 3,360.00 |
| 5,000 | 349,350.00 | 8,400.00 |
| 10,000 | 698,700.00 | 16,800.00 |
| 50,000 | 3,493,500.00 | 84,000.00 |
| 100,000 | 6,987,000.00 | 168,000.00 |

Initial annual income is based on the firm's current forward annual dividend yield and could be subject to change.

### Dividend Safety / Cushion — GOOD / 1.9

We assess the safety of a firm's dividend by adding the company's net cash to our forecast of its free cash flows over the next five years. We then divide that sum by the total expected dividends over the next five years. This process results in our Dividend Cushion™ ratio. A Dividend Cushion™ above 1 indicates a firm can cover its future dividends with net cash on hand and future free cash flow, while a score below 1 signals trouble may be on the horizon. And by extension, the greater the score, the safer the dividend, as excess cash can be used to offset any unexpected earnings shortfall. Harris Corp scores a 1.9 on our Dividend Cushion™, which is GOOD.

### Dividend Growth Potential — EXCELLENT

We judge the future potential growth of the dividend by evaluating the capacity for future increases, as measured by the Dividend Cushion™, and management's willingness to consistently raise the dividend, as measured by the firm's dividend track record. Harris Corp registers an EXCELLENT rating on our scale, and we think the firm's annual dividend will be $2.62 per share within the next several years.

### Risk of Capital Loss — MEDIUM

We assess the risk of capital loss based on our analysis of a firm's intrinsic value at this point in time. If the stock is undervalued (based on our DCF process), we think the risk of failing to recoup one's original capital investment (ex dividends) is relatively LOW. If the stock is fairly valued (it falls within our fair value estimate range), we think the likelihood of losing capital (ex dividends) is MEDIUM. If the stock is trading above our estimate of its intrinsic value, we think the likelihood of losing at least a portion of one's original investment (ex dividends) is HIGH. Harris Corp registers a score of MEDIUM on our scale.

### Key Dividend Considerations

| | |
|---|---|
| Current Annual Dividend Yield | **2.40%** |
| Annual Dividends per Share | **$1.68** |
| Initial Annual Div's Paid, $10k Investment | **$240.45** |
| Dividend Track Record | **HEALTHY** |
| Dividend Safety | **GOOD** |
| Valuentum Dividend Cushion™ | **1.9** |
| Dividend Growth Potential | **EXCELLENT** |
| Risk of Capital Loss | **MEDIUM** |
| ValueRisk™ (Equity Margin of Safety) | **MEDIUM** |

The Valuentum Dividend Cushion is a ratio that compares the firm's excess cash and cash flow to its future dividend stream. A score above 1 indicates cash flow is sufficient to cover future dividends (higher is better).

### Dividend Strength

| Dividend Safety \ Dividend Growth | Very Poor | Poor | Good | Excellent |
|---|---|---|---|---|
| Excellent | | | | |
| Good | | | | ■ |
| Poor | | | | |
| Very Poor | | | | |

Firms that have safe and growing dividends score at the top right of our scale.

### Dividend Track Record — HEALTHY

| Fiscal Year | Div's/Share ($) | Div Growth % | EPS ($) | Payout Ratio |
|---|---|---|---|---|
| Jun-99 | NA | 0.0 | 0.32 | 0.0% |
| Jun-00 | NA | 0.0 | 0.17 | 0.0% |
| Jun-01 | NA | 0.0 | 0.16 | 0.0% |
| Jun-02 | NA | 0.0 | 0.63 | 0.0% |
| Jun-03 | 0.16 | 0.0 | 0.45 | 35.6% |
| Jun-04 | 0.20 | 25.0 | 0.94 | 21.3% |
| Jun-05 | 0.24 | 20.0 | 1.46 | 16.4% |
| Jun-06 | 0.32 | 33.3 | 1.71 | 18.7% |
| Jun-07 | 0.44 | 37.5 | 3.43 | 12.8% |
| Jun-08 | 0.60 | 36.4 | 3.26 | 18.4% |
| Jun-09 | 0.80 | 33.3 | 2.35 | 34.0% |
| Jun-10 | 0.88 | 10.0 | 4.28 | 20.6% |
| Jun-11 | 1.00 | 13.6 | 4.60 | 21.7% |
| Jun-12 | 1.22 | 22.0 | 4.80 | 25.4% |
| Jun-13 | 1.48 | 21.3 | 4.16 | 35.6% |
| ***Jun-14*** | ***1.68*** | ***13.5*** | ***4.91*** | ***34.2%*** |
| *Jun-15* | *1.93* | *15.0* | *5.10* | *37.9%* |
| *Jun-16* | *2.16* | *12.0* | *5.35* | *40.4%* |
| *Jun-17* | *2.38* | *10.0* | *5.64* | *42.2%* |
| *Jun-18* | *2.62* | *10.0* | *5.96* | *43.9%* |

Light green shading denotes a dividend increase, while light red shading denotes a dividend decrease. Heavy green shading denotes a significant dividend increase, while heavy red shading denotes a significant dividend decrease or an excessive payout ratio. NA = Not Applicable.

To view our full 16-page equity report on Harris Corp, please visit our website at www.valuentum.com



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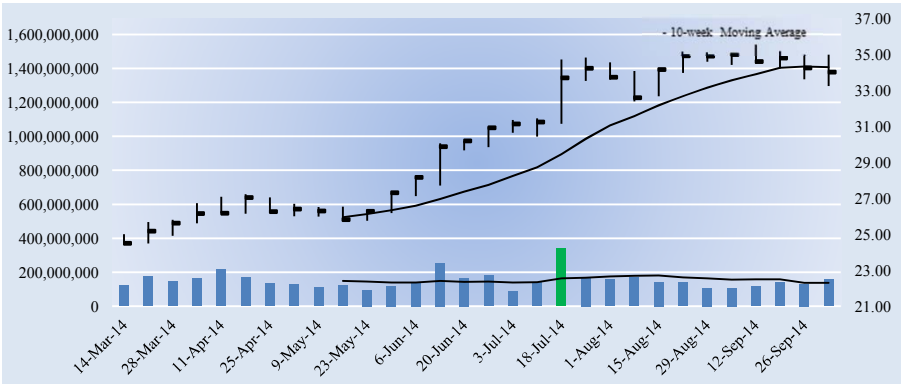
# Intel INTC FAIRLY VALUED

**Buying Index™** 6 **Value Rating**

| Economic Castle | Stock Fair Value Range | Dividend Track Record | Dividend Safety / Cushion™ | Div Growth Potential | Dividend Yield |
|---|---|---|---|---|---|
| Attractive | $26.00 - $40.00 | HEALTHY | GOOD / 2.1 | GOOD | 2.64% |

**Intel's Dividend Cushion ratio is among the best in our coverage after considering the size of its annual dividend yield.**

## Stock Chart (weekly)




## Company Vitals

| | |
|---|---|
| Market Cap (USD) | $173,451 |
| Avg Weekly Vol (30 wks) | 151,309 |
| 30-week Range (USD) | 24.4 - 35.56 |
| Valuentum Sector | Information Technology |
| Last Fiscal Year Revenue | 52,708 |
| Last Fiscal Year EPS | 1.89 |
| Last Fiscal Year EBITDA | 20,053 |
| Forward Revenue Growth (5-yr) | 3.4% |
| Forward EPS Growth (5-yr) | 7.8% |

## Dividend Vitals

| | |
|---|---|
| Current Annual Dividend Yield % | 2.6% |
| Annual Dividends Per Share | 0.90 |
| Forward Dividend Payout Ratio | 40.7% |
| 3-yr Historical Dividend CAGR | 4.9% |
| 15-yr Historical Dividend CAGR | NA |
| 3-yr Hist Median Div Payout Ratio | 40.8% |
| 15-yr Hist Median Div Payout Ratio | 31.3% |

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

## Initial Annual Income Per Investment ($)

| # of Shares | Investment ($) | Annual Div's ($) |
|---|---|---|
| 25 | 850.75 | 22.50 |
| 50 | 1,701.50 | 45.00 |
| 100 | 3,403.00 | 90.00 |
| 200 | 6,806.00 | 180.00 |
| 300 | 10,209.00 | 270.00 |
| 400 | 13,612.00 | 360.00 |
| 500 | 17,015.00 | 450.00 |
| 1,000 | 34,030.00 | 900.00 |
| 2,000 | 68,060.00 | 1,800.00 |
| 5,000 | 170,150.00 | 4,500.00 |
| 10,000 | 340,300.00 | 9,000.00 |
| 50,000 | 1,701,500.00 | 45,000.00 |
| 100,000 | 3,403,000.00 | 90,000.00 |

Initial annual income is based on the firm's current forward annual dividend yield and could be subject to change.

## Dividend Safety / Cushion — GOOD / 2.1

We assess the safety of a firm's dividend by adding the company's net cash to our forecast of its free cash flows over the next five years. We then divide that sum by the total expected dividends over the next five years. This process results in our Dividend Cushion™ ratio. A Dividend Cushion™ above 1 indicates a firm can cover its future dividends with net cash on hand and future free cash flow, while a score below 1 signals trouble may be on the horizon. And by extension, the greater the score, the safer the dividend, as excess cash can be used to offset any unexpected earnings shortfall. Intel scores a 2.1 on our Dividend Cushion™, which is GOOD.

## Dividend Growth Potential — GOOD

We judge the future potential growth of the dividend by evaluating the capacity for future increases, as measured by the Dividend Cushion™, and management's willingness to consistently raise the dividend, as measured by the firm's dividend track record. Intel registers an GOOD rating on our scale, and we think the firm's annual dividend will be $1.27 per share within the next several years.

## Risk of Capital Loss — MEDIUM

We assess the risk of capital loss based on our analysis of a firm's intrinsic value at this point in time. If the stock is undervalued (based on our DCF process), we think the risk of failing to recoup one's original capital investment (ex dividends) is relatively LOW. If the stock is fairly valued (it falls within our fair value estimate range), we think the likelihood of losing capital (ex dividends) is MEDIUM. If the stock is trading above our estimate of its intrinsic value, we think the likelihood of losing at least a portion of one's original investment (ex dividends) is HIGH. Intel registers a score of MEDIUM on our scale.

## Key Dividend Considerations

| | |
|---|---|
| Current Annual Dividend Yield | **2.64%** |
| Annual Dividends per Share | **$0.90** |
| Initial Annual Div's Paid, $10k Investment | **$264.47** |
| Dividend Track Record | **HEALTHY** |
| Dividend Safety | **GOOD** |
| Valuentum Dividend Cushion™ | **2.1** |
| Dividend Growth Potential | **GOOD** |
| Risk of Capital Loss | **MEDIUM** |
| ValueRisk™ (Equity Margin of Safety) | **LOW** |

The Valuentum Dividend Cushion is a ratio that compares the firm's excess cash and cash flow to its future dividend stream. A score above 1 indicates cash flow is sufficient to cover future dividends (higher is better).

## Dividend Strength

| Dividend Safety \ Dividend Growth | Very Poor | Poor | Good | Excellent |
|---|---|---|---|---|
| Excellent | | | | |
| Good | | | ■ | |
| Poor | | | | |
| Very Poor | | | | |

Firms that have safe and growing dividends score at the top right of our scale.

## Dividend Track Record — HEALTHY

| Fiscal Year | Div's/Share ($) | Div Growth % | EPS ($) | Payout Ratio |
|---|---|---|---|---|
| Dec-99 | NA | 0.0 | 1.06 | 0.0% |
| Dec-00 | NA | 0.0 | 1.51 | 0.0% |
| Dec-01 | NA | 0.0 | 0.19 | 0.0% |
| Dec-02 | NA | 0.0 | 0.46 | 0.0% |
| Dec-03 | NA | 0.0 | 0.85 | 0.0% |
| Dec-04 | NA | 0.0 | 1.16 | 0.0% |
| Dec-05 | 0.32 | 0.0 | 1.40 | 22.9% |
| Dec-06 | 0.40 | 25.0 | 0.86 | 46.5% |
| Dec-07 | 0.45 | 12.5 | 1.18 | 38.1% |
| Dec-08 | 0.55 | 22.2 | 0.92 | 59.8% |
| Dec-09 | 0.56 | 1.8 | 0.77 | 72.7% |
| Dec-10 | 0.63 | 12.5 | 2.01 | 31.3% |
| Dec-11 | 0.78 | 23.8 | 2.39 | 32.6% |
| Dec-12 | 0.87 | 11.5 | 2.13 | 40.8% |
| Dec-13 | 0.90 | 3.4 | 1.89 | 47.6% |
| ***Dec-14*** | ***0.90*** | ***0.0*** | ***2.21*** | ***40.7%*** |
| *Dec-15* | *0.99* | *10.0* | *2.33* | *42.4%* |
| *Dec-16* | *1.09* | *10.0* | *2.46* | *44.2%* |
| *Dec-17* | *1.18* | *8.0* | *2.60* | *45.2%* |
| *Dec-18* | *1.27* | *8.0* | *2.75* | *46.2%* |

Light green shading denotes a dividend increase, while light red shading denotes a dividend decrease. Heavy green shading denotes a significant dividend increase, while heavy red shading denotes a significant dividend decrease or an excessive payout ratio. NA = Not Applicable.

To view our full 16-page equity report on Intel, please visit our website at www.valuentum.com



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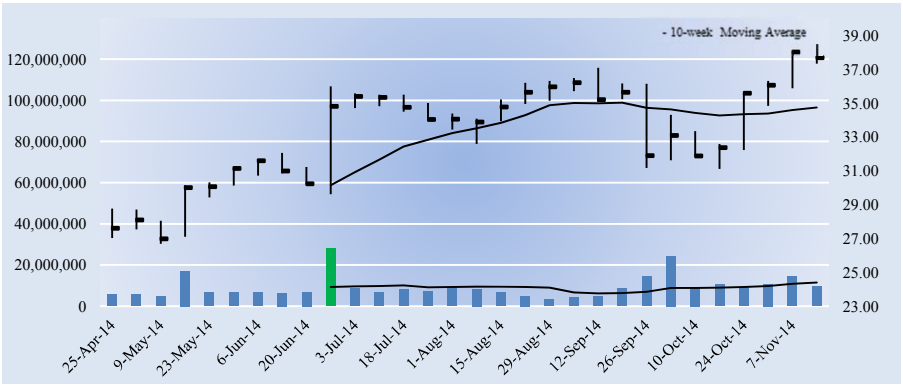
# Iron Mountain IRM OVERVALUED 4.5%

**Buying Index™** 4 **Value Rating** ✗

| Economic Castle | Stock Fair Value Range | Dividend Track Record | Dividend Safety / Cushion™ | Div Growth Potential | Dividend Yield |
|---|---|---|---|---|---|
| Attractive | $22.00 - $36.00 | HEALTHY | GOOD / 1.3 | EXCELLENT | 5.04% |

**Iron Mountain's conversion to a REIT will prove to be a shot in the arm for distribution growth. The company's payout will double.**

## Stock Chart (weekly)




## Company Vitals

| | |
|---|---|
| Market Cap (USD) | $7,252 |
| Avg Weekly Vol (30 wks) | 9,192 |
| 30-week Range (USD) | 26.7 - 38.5 |
| Valuentum Sector | Industrials |
| Last Fiscal Year Revenue | 3,026 |
| Last Fiscal Year EPS | 0.50 |
| Last Fiscal Year EBITDA | 820 |
| Forward Revenue Growth (5-yr) | 2.7% |
| Forward EPS Growth (5-yr) | 30.6% |

## Dividend Vitals

| | |
|---|---|
| Current Annual Dividend Yield % | 5.0% |
| Annual Dividends Per Share | 1.90 |
| Forward Dividend Payout Ratio | 137.3% |
| 3-yr Historical Dividend CAGR | 71.0% |
| 15-yr Historical Dividend CAGR | NA |
| 3-yr Hist Median Div Payout Ratio | 89.5% |
| 15-yr Hist Median Div Payout Ratio | 0.0% |

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

## Initial Annual Income Per Investment ($)

| # of Shares | Investment ($) | Annual Div's ($) |
|---|---|---|
| 25 | 942.25 | 47.50 |
| 50 | 1,884.50 | 95.00 |
| 100 | 3,769.00 | 190.00 |
| 200 | 7,538.00 | 380.00 |
| 300 | 11,307.00 | 570.00 |
| 400 | 15,076.00 | 760.00 |
| 500 | 18,845.00 | 950.00 |
| 1,000 | 37,690.00 | 1,900.00 |
| 2,000 | 75,380.00 | 3,800.00 |
| 5,000 | 188,450.00 | 9,500.00 |
| 10,000 | 376,900.00 | 19,000.00 |
| 50,000 | 1,884,500.00 | 95,000.00 |
| 100,000 | 3,769,000.00 | 190,000.00 |

Initial annual income is based on the firm's current forward annual dividend yield and could be subject to change.

## Dividend Safety / Cushion — GOOD / 1.3

We assess the safety of a firm's dividend by adding the company's net cash to our forecast of its free cash flows over the next five years. We then divide that sum by the total expected dividends over the next five years. This process results in our Dividend Cushion™ ratio. A Dividend Cushion™ above 1 indicates a firm can cover its future dividends with net cash on hand and future free cash flow, while a score below 1 signals trouble may be on the horizon. And by extension, the greater the score, the safer the dividend, as excess cash can be used to offset any unexpected earnings shortfall. Iron Mountain scores a 1.3 on our Dividend Cushion™, which is GOOD.

## Dividend Growth Potential — EXCELLENT

We judge the future potential growth of the dividend by evaluating the capacity for future increases, as measured by the Dividend Cushion™, and management's willingness to consistently raise the dividend, as measured by the firm's dividend track record. Iron Mountain registers an EXCELLENT rating on our scale, and we think the firm's annual dividend will be $2.82 per share within the next several years.

## Risk of Capital Loss — HIGH

We assess the risk of capital loss based on our analysis of a firm's intrinsic value at this point in time. If the stock is undervalued (based on our DCF process), we think the risk of failing to recoup one's original capital investment (ex dividends) is relatively LOW. If the stock is fairly valued (it falls within our fair value estimate range), we think the likelihood of losing capital (ex dividends) is MEDIUM. If the stock is trading above our estimate of its intrinsic value, we think the likelihood of losing at least a portion of one's original investment (ex dividends) is HIGH. Iron Mountain registers a score of HIGH on our scale.

## Key Dividend Considerations

| | |
|---|---|
| Current Annual Dividend Yield | **5.04%** |
| Annual Dividends per Share | **$1.90** |
| Initial Annual Div's Paid, $10k Investment | **$504.11** |
| Dividend Track Record | **HEALTHY** |
| Dividend Safety | **GOOD** |
| Valuentum Dividend Cushion™ | **1.3** |
| Dividend Growth Potential | **EXCELLENT** |
| Risk of Capital Loss | **HIGH** |
| ValueRisk™ (Equity Margin of Safety) | **MEDIUM** |

The Valuentum Dividend Cushion is a ratio that compares the firm's excess cash and cash flow to its future dividend stream. A score above 1 indicates cash flow is sufficient to cover future dividends (higher is better).

## Dividend Strength

| Dividend Safety \ Dividend Growth | Very Poor | Poor | Good | Excellent |
|---|---|---|---|---|
| Excellent | | | | |
| Good | | | | |
| Poor | | | | |
| Very Poor | | | | |

Firms that have safe and growing dividends score at the top right of our scale.

## Dividend Track Record — HEALTHY

| Fiscal Year | Div's/Share ($) | Div Growth % | EPS ($) | Payout Ratio |
|---|---|---|---|---|
| Dec-99 | 0.00 | 0.0 | -0.01 | 0.0% |
| Dec-00 | 0.00 | 0.0 | -0.21 | 0.0% |
| Dec-01 | 0.00 | 0.0 | -0.26 | 0.0% |
| Dec-02 | 0.00 | 0.0 | 0.52 | 0.0% |
| Dec-03 | 0.00 | 0.0 | 0.65 | 0.0% |
| Dec-04 | 0.00 | 0.0 | 0.72 | 0.0% |
| Dec-05 | 0.00 | 0.0 | 0.57 | 0.0% |
| Dec-06 | 0.00 | 0.0 | 0.64 | 0.0% |
| Dec-07 | 0.00 | 0.0 | 0.76 | 0.0% |
| Dec-08 | 0.00 | 0.0 | 0.40 | 0.0% |
| Dec-09 | 0.00 | 0.0 | 1.08 | 0.0% |
| Dec-10 | 0.38 | 0.0 | -0.27 | -140.7% |
| Dec-11 | 0.38 | 0.0 | 1.26 | 30.2% |
| Dec-12 | 0.94 | 147.4 | 1.05 | 89.5% |
| Dec-13 | 1.08 | 14.9 | 0.52 | 207.7% |
| ***Dec-14*** | ***1.90*** | ***75.9*** | ***1.38*** | ***137.3%*** |
| *Dec-15* | *2.24* | *18.0* | *1.35* | *165.7%* |
| *Dec-16* | *2.42* | *8.0* | *1.54* | *157.3%* |
| *Dec-17* | *2.62* | *8.0* | *1.72* | *151.7%* |
| *Dec-18* | *2.82* | *8.0* | *1.91* | *148.1%* |

Light green shading denotes a dividend increase, while light red shading denotes a dividend decrease. Heavy green shading denotes a significant dividend increase, while heavy red shading denotes a significant dividend decrease or an excessive payout ratio. NA = Not Applicable.

To view our full 16-page equity report on Iron Mountain, please visit our website at www.valuentum.com



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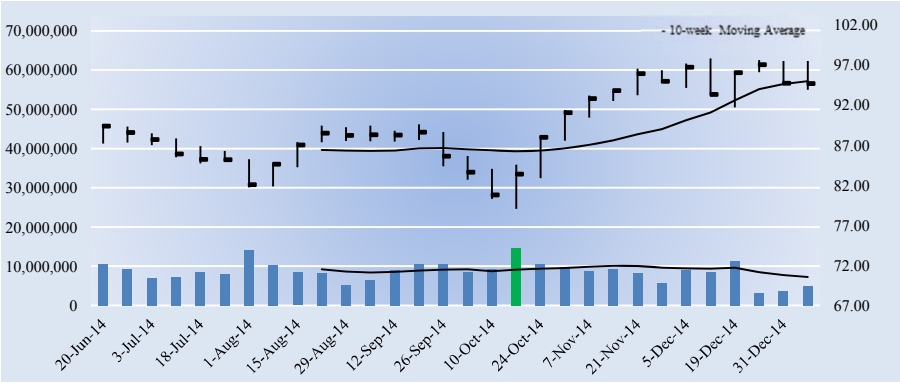
# Illinois Tool Works ITW FAIRLY VALUED

**Buying Index™** 6 **Value Rating**

| Economic Castle | Stock Fair Value Range | Dividend Track Record | Dividend Safety / Cushion™ | Div Growth Potential | Dividend Yield |
|---|---|---|---|---|---|
| Attractive | $66.00 - $98.00 | HEALTHY | GOOD / 2.6 | EXCELLENT | 2.05% |

## Illinois Tool Works' dividend has many years of growth ahead of it.

### Stock Chart (weekly)




### Company Vitals

| | |
|---|---|
| Market Cap (USD) | $42,540 |
| Avg Weekly Vol (30 wks) | 8,662 |
| 30-week Range (USD) | 79.06 - 97.79 |
| Valuentum Sector | Industrials |
| Last Fiscal Year Revenue | 14,135 |
| Last Fiscal Year EPS | 3.63 |
| Last Fiscal Year EBITDA | 3,129 |
| Forward Revenue Growth (5-yr) | 4.2% |
| Forward EPS Growth (5-yr) | 14.0% |

### Dividend Vitals

| | |
|---|---|
| Current Annual Dividend Yield % | 2.0% |
| Annual Dividends Per Share | 1.94 |
| Forward Dividend Payout Ratio | 41.6% |
| 3-yr Historical Dividend CAGR | 11.5% |
| 15-yr Historical Dividend CAGR | 12.8% |
| 3-yr Hist Median Div Payout Ratio | 34.3% |
| 15-yr Hist Median Div Payout Ratio | 28.1% |

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

### Initial Annual Income Per Investment ($)

| # of Shares | Investment ($) | Annual Div's ($) |
|---|---|---|
| 25 | 2,367.00 | 48.50 |
| 50 | 4,734.00 | 97.00 |
| 100 | 9,468.00 | 194.00 |
| 200 | 18,936.00 | 388.00 |
| 300 | 28,404.00 | 582.00 |
| 400 | 37,872.00 | 776.00 |
| 500 | 47,340.00 | 970.00 |
| 1,000 | 94,680.00 | 1,940.00 |
| 2,000 | 189,360.00 | 3,880.00 |
| 5,000 | 473,400.00 | 9,700.00 |
| 10,000 | 946,800.00 | 19,400.00 |
| 50,000 | 4,734,000.00 | 97,000.00 |
| 100,000 | 9,468,000.00 | 194,000.00 |

Initial annual income is based on the firm's current forward annual dividend yield and could be subject to change.

### Dividend Safety / Cushion — GOOD / 2.6

We assess the safety of a firm's dividend by adding the company's net cash to our forecast of its free cash flows over the next five years. We then divide that sum by the total expected dividends over the next five years. This process results in our Dividend Cushion™ ratio. A Dividend Cushion™ above 1 indicates a firm can cover its future dividends with net cash on hand and future free cash flow, while a score below 1 signals trouble may be on the horizon. And by extension, the greater the score, the safer the dividend, as excess cash can be used to offset any unexpected earnings shortfall. Illinois Tool Works scores a 2.6 on our Dividend Cushion™, which is GOOD.

### Dividend Growth Potential — EXCELLENT

We judge the future potential growth of the dividend by evaluating the capacity for future increases, as measured by the Dividend Cushion™, and management's willingness to consistently raise the dividend, as measured by the firm's dividend track record. Illinois Tool Works registers an EXCELLENT rating on our scale, and we think the firm's annual dividend will be $2.79 per share within the next several years.

### Risk of Capital Loss — MEDIUM

We assess the risk of capital loss based on our analysis of a firm's intrinsic value at this point in time. If the stock is undervalued (based on our DCF process), we think the risk of failing to recoup one's original capital investment (ex dividends) is relatively LOW. If the stock is fairly valued (it falls within our fair value estimate range), we think the likelihood of losing capital (ex dividends) is MEDIUM. If the stock is trading above our estimate of its intrinsic value, we think the likelihood of losing at least a portion of one's original investment (ex dividends) is HIGH. Illinois Tool Works registers a score of MEDIUM on our scale.

### Key Dividend Considerations

| | |
|---|---|
| Current Annual Dividend Yield | **2.05%** |
| Annual Dividends per Share | **$1.94** |
| Initial Annual Div's Paid, $10k Investment | **$204.90** |
| Dividend Track Record | **HEALTHY** |
| Dividend Safety | **GOOD** |
| Valuentum Dividend Cushion™ | **2.6** |
| Dividend Growth Potential | **EXCELLENT** |
| Risk of Capital Loss | **MEDIUM** |
| ValueRisk™ (Equity Margin of Safety) | **LOW** |

The Valuentum Dividend Cushion is a ratio that compares the firm's excess cash and cash flow to its future dividend stream. A score above 1 indicates cash flow is sufficient to cover future dividends (higher is better).

### Dividend Strength

| Dividend Safety \ Dividend Growth | Very Poor | Poor | Good | Excellent |
|---|---|---|---|---|
| Excellent | | | | |
| Good | | | | ■ |
| Poor | | | | |
| Very Poor | | | | |

Firms that have safe and growing dividends score at the top right of our scale.

### Dividend Track Record — HEALTHY

| Fiscal Year | Div's/Share ($) | Div Growth % | EPS ($) | Payout Ratio |
|---|---|---|---|---|
| Dec-99 | 0.32 | 0.0 | 1.38 | 23.2% |
| Dec-00 | 0.37 | 15.6 | 1.58 | 23.4% |
| Dec-01 | 0.41 | 10.8 | 1.31 | 31.3% |
| Dec-02 | 0.45 | 9.8 | 1.51 | 29.8% |
| Dec-03 | 0.47 | 4.4 | 1.69 | 27.8% |
| Dec-04 | 0.50 | 6.4 | 2.20 | 22.7% |
| Dec-05 | 0.59 | 18.0 | 2.60 | 22.7% |
| Dec-06 | 0.71 | 20.3 | 3.01 | 23.6% |
| Dec-07 | 0.91 | 28.2 | 3.28 | 27.7% |
| Dec-08 | 1.15 | 26.4 | 3.04 | 37.8% |
| Dec-09 | 1.24 | 7.8 | 1.93 | 64.2% |
| Dec-10 | 1.30 | 4.8 | 3.03 | 42.9% |
| Dec-11 | 1.40 | 7.7 | 4.08 | 34.3% |
| Dec-12 | 1.48 | 5.7 | 5.27 | 28.1% |
| Dec-13 | 1.60 | 8.1 | 3.63 | 44.1% |
| ***Dec-14*** | ***1.94*** | ***21.3*** | ***4.67*** | ***41.6%*** |
| *Dec-15* | *2.17* | *12.0* | *5.33* | *40.7%* |
| *Dec-16* | *2.39* | *10.0* | *5.82* | *41.1%* |
| *Dec-17* | *2.58* | *8.0* | *6.37* | *40.5%* |
| *Dec-18* | *2.79* | *8.0* | *6.99* | *39.9%* |

Light green shading denotes a dividend increase, while light red shading denotes a dividend decrease. Heavy green shading denotes a significant dividend increase, while heavy red shading denotes a significant dividend decrease or an excessive payout ratio. NA = Not Applicable.

To view our full 16-page equity report on Illinois Tool Works, please visit our website at www.valuentum.com



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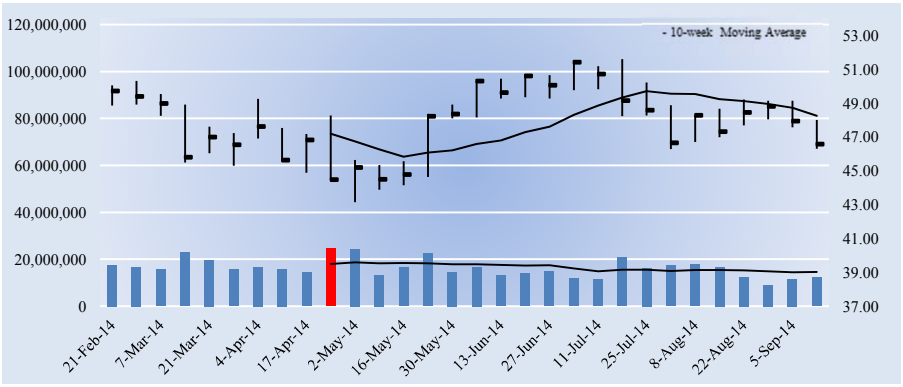
# Johnson Controls JCI FAIRLY VALUED

**Buying Index™** 3 **Value Rating**

| Economic Castle | Stock Fair Value Range | Dividend Track Record | Dividend Safety / Cushion™ | Div Growth Potential | Dividend Yield |
|---|---|---|---|---|---|
| Attractive | $40.00 - $60.00 | HEALTHY | GOOD / 2.5 | EXCELLENT | 1.89% |

## Johnson Controls boasts a very healthy dividend.

### Stock Chart (weekly)




### Company Vitals

| | |
|---|---|
| Market Cap (USD) | $32,103 |
| Avg Weekly Vol (30 wks) | 16,212 |
| 30-week Range (USD) | 43.16 - 51.6 |
| Valuentum Sector | Consumer Discretionary |
| Last Fiscal Year Revenue | 42,730 |
| Last Fiscal Year EPS | 1.71 |
| Last Fiscal Year EBITDA | 3,765 |
| Forward Revenue Growth (5-yr) | 3.4% |
| Forward EPS Growth (5-yr) | 21.6% |

### Dividend Vitals

| | |
|---|---|
| Current Annual Dividend Yield % | 1.9% |
| Annual Dividends Per Share | 0.88 |
| Forward Dividend Payout Ratio | 27.5% |
| 3-yr Historical Dividend CAGR | 11.2% |
| 15-yr Historical Dividend CAGR | NA |
| 3-yr Hist Median Div Payout Ratio | 40.4% |
| 15-yr Hist Median Div Payout Ratio | 0.0% |

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

### Initial Annual Income Per Investment ($)

| # of Shares | Investment ($) | Annual Div's ($) |
|---|---|---|
| 25 | 1,164.50 | 22.00 |
| 50 | 2,329.00 | 44.00 |
| 100 | 4,658.00 | 88.00 |
| 200 | 9,316.00 | 176.00 |
| 300 | 13,974.00 | 264.00 |
| 400 | 18,632.00 | 352.00 |
| 500 | 23,290.00 | 440.00 |
| 1,000 | 46,580.00 | 880.00 |
| 2,000 | 93,160.00 | 1,760.00 |
| 5,000 | 232,900.00 | 4,400.00 |
| 10,000 | 465,800.00 | 8,800.00 |
| 50,000 | 2,329,000.00 | 44,000.00 |
| 100,000 | 4,658,000.00 | 88,000.00 |

Initial annual income is based on the firm's current forward annual dividend yield and could be subject to change.

### Dividend Safety / Cushion — GOOD / 2.5

We assess the safety of a firm's dividend by adding the company's net cash to our forecast of its free cash flows over the next five years. We then divide that sum by the total expected dividends over the next five years. This process results in our Dividend Cushion™ ratio. A Dividend Cushion™ above 1 indicates a firm can cover its future dividends with net cash on hand and future free cash flow, while a score below 1 signals trouble may be on the horizon. And by extension, the greater the score, the safer the dividend, as excess cash can be used to offset any unexpected earnings shortfall. Johnson Controls scores a 2.5 on our Dividend Cushion™, which is GOOD.

### Dividend Growth Potential — EXCELLENT

We judge the future potential growth of the dividend by evaluating the capacity for future increases, as measured by the Dividend Cushion™, and management's willingness to consistently raise the dividend, as measured by the firm's dividend track record. Johnson Controls registers an EXCELLENT rating on our scale, and we think the firm's annual dividend will be $1.26 per share within the next several years.

### Risk of Capital Loss — MEDIUM

We assess the risk of capital loss based on our analysis of a firm's intrinsic value at this point in time. If the stock is undervalued (based on our DCF process), we think the risk of failing to recoup one's original capital investment (ex dividends) is relatively LOW. If the stock is fairly valued (it falls within our fair value estimate range), we think the likelihood of losing capital (ex dividends) is MEDIUM. If the stock is trading above our estimate of its intrinsic value, we think the likelihood of losing at least a portion of one's original investment (ex dividends) is HIGH. Johnson Controls registers a score of MEDIUM on our scale.

### Key Dividend Considerations

| | |
|---|---|
| Current Annual Dividend Yield | **1.89%** |
| Annual Dividends per Share | **$0.88** |
| Initial Annual Div's Paid, $10k Investment | **$188.92** |
| Dividend Track Record | **HEALTHY** |
| Dividend Safety | **GOOD** |
| Valuentum Dividend Cushion™ | **2.5** |
| Dividend Growth Potential | **EXCELLENT** |
| Risk of Capital Loss | **MEDIUM** |
| ValueRisk™ (Equity Margin of Safety) | **LOW** |

The Valuentum Dividend Cushion is a ratio that compares the firm's excess cash and cash flow to its future dividend stream. A score above 1 indicates cash flow is sufficient to cover future dividends (higher is better).

### Dividend Strength

| Dividend Safety \ Dividend Growth | Very Poor | Poor | Good | Excellent |
|---|---|---|---|---|
| Excellent | | | | |
| Good | | | | |
| Poor | | | | |
| Very Poor | | | | |

Firms that have safe and growing dividends score at the top right of our scale.

### Dividend Track Record — HEALTHY

| Fiscal Year | Div's/Share ($) | Div Growth % | EPS ($) | Payout Ratio |
|---|---|---|---|---|
| Sep-99 | NA | 0.0 | 2.24 | 0.0% |
| Sep-00 | NA | 0.0 | 2.55 | 0.0% |
| Sep-01 | NA | 0.0 | 2.56 | 0.0% |
| Sep-02 | NA | 0.0 | 3.18 | 0.0% |
| Sep-03 | NA | 0.0 | 3.60 | 0.0% |
| Sep-04 | NA | 0.0 | 4.24 | 0.0% |
| Sep-05 | NA | 0.0 | 1.30 | 0.0% |
| Sep-06 | NA | 0.0 | 1.75 | 0.0% |
| Sep-07 | NA | 0.0 | 2.16 | 0.0% |
| Sep-08 | NA | 0.0 | 1.63 | 0.0% |
| Sep-09 | 0.52 | 0.0 | -0.57 | -91.2% |
| Sep-10 | 0.52 | 0.0 | 2.19 | 23.7% |
| Sep-11 | 0.64 | 23.1 | 2.35 | 27.2% |
| Sep-12 | 0.72 | 12.5 | 1.78 | 40.4% |
| Sep-13 | 0.76 | 5.6 | 1.71 | 44.4% |
| ***Sep-14*** | ***0.88*** | ***15.8*** | ***3.20*** | ***27.5%*** |
| *Sep-15* | *0.99* | *12.0* | *3.74* | *26.4%* |
| *Sep-16* | *1.08* | *10.0* | *3.97* | *27.3%* |
| *Sep-17* | *1.17* | *8.0* | *4.23* | *27.7%* |
| *Sep-18* | *1.26* | *8.0* | *4.54* | *27.9%* |

Light green shading denotes a dividend increase, while light red shading denotes a dividend decrease. Heavy green shading denotes a significant dividend increase, while heavy red shading denotes a significant dividend decrease or an excessive payout ratio. NA = Not Applicable.

To view our full 16-page equity report on Johnson Controls, please visit our website at www.valuentum.com



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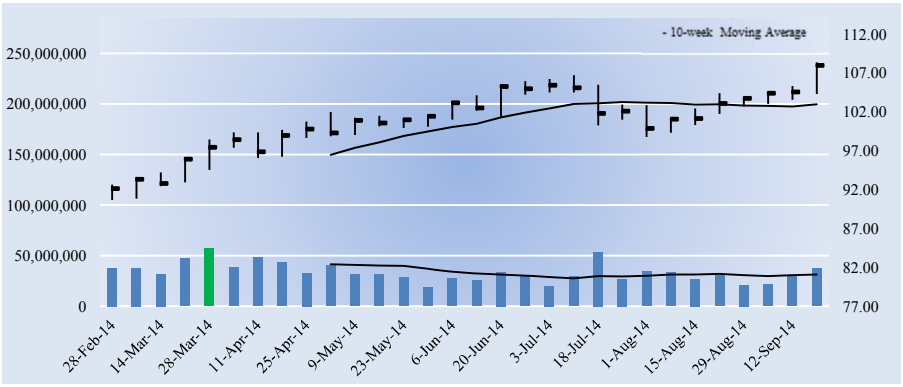
# Johnson & Johnson JNJ FAIRLY VALUED

**Buying Index™** 6 **Value Rating**

| Economic Castle | Stock Fair Value Range | Dividend Track Record | Dividend Safety / Cushion™ | Div Growth Potential | Dividend Yield |
|---|---|---|---|---|---|
| Attractive | $88.00 - $132.00 | HEALTHY | GOOD / 2.3 | EXCELLENT | 2.59% |

**J&J's dividend track record has been very impressive, and the company is one of our favorite dividend growth ideas.**

## Stock Chart (weekly)




## Key Dividend Considerations

| | |
|---|---|
| Current Annual Dividend Yield | **2.59%** |
| Annual Dividends per Share | **$2.80** |
| Initial Annual Div's Paid, $10k Investment | **$259.28** |
| Dividend Track Record | **HEALTHY** |
| Dividend Safety | **GOOD** |
| Valuentum Dividend Cushion™ | **2.3** |
| Dividend Growth Potential | **EXCELLENT** |
| Risk of Capital Loss | **MEDIUM** |
| ValueRisk™ (Equity Margin of Safety) | **LOW** |

The Valuentum Dividend Cushion is a ratio that compares the firm's excess cash and cash flow to its future dividend stream. A score above 1 indicates cash flow is sufficient to cover future dividends (higher is better).

## Dividend Strength

| Dividend Safety \ Dividend Growth | Very Poor | Poor | Good | Excellent |
|---|---|---|---|---|
| Excellent | | | | |
| Good | | | | ■ |
| Poor | | | | |
| Very Poor | | | | |

Firms that have safe and growing dividends score at the top right of our scale.

## Company Vitals

| | |
|---|---|
| Market Cap (USD) | $310,687 |
| Avg Weekly Vol (30 wks) | 33,480 |
| 30-week Range (USD) | 90.66 - 108.37 |
| Valuentum Sector | Consumer Staples |
| Last Fiscal Year Revenue | 71,312 |
| Last Fiscal Year EPS | 4.61 |
| Last Fiscal Year EBITDA | 23,061 |
| Forward Revenue Growth (5-yr) | 4.0% |
| Forward EPS Growth (5-yr) | 9.4% |

## Dividend Vitals

| | |
|---|---|
| Current Annual Dividend Yield % | 2.6% |
| Annual Dividends Per Share | 2.80 |
| Forward Dividend Payout Ratio | 46.8% |
| 3-yr Historical Dividend CAGR | 7.6% |
| 15-yr Historical Dividend CAGR | 11.5% |
| 3-yr Hist Median Div Payout Ratio | 62.2% |
| 15-yr Hist Median Div Payout Ratio | 39.1% |

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

## Initial Annual Income Per Investment ($)

| # of Shares | Investment ($) | Annual Div's ($) |
|---|---|---|
| 25 | 2,699.75 | 70.00 |
| 50 | 5,399.50 | 140.00 |
| 100 | 10,799.00 | 280.00 |
| 200 | 21,598.00 | 560.00 |
| 300 | 32,397.00 | 840.00 |
| 400 | 43,196.00 | 1,120.00 |
| 500 | 53,995.00 | 1,400.00 |
| 1,000 | 107,990.00 | 2,800.00 |
| 2,000 | 215,980.00 | 5,600.00 |
| 5,000 | 539,950.00 | 14,000.00 |
| 10,000 | 1,079,900.00 | 28,000.00 |
| 50,000 | 5,399,500.00 | 140,000.00 |
| 100,000 | 10,799,000 | 280,000.00 |

Initial annual income is based on the firm's current forward annual dividend yield and could be subject to change.

## Dividend Safety / Cushion — GOOD / 2.3

We assess the safety of a firm's dividend by adding the company's net cash to our forecast of its free cash flows over the next five years. We then divide that sum by the total expected dividends over the next five years. This process results in our Dividend Cushion™ ratio. A Dividend Cushion™ above 1 indicates a firm can cover its future dividends with net cash on hand and future free cash flow, while a score below 1 signals trouble may be on the horizon. And by extension, the greater the score, the safer the dividend, as excess cash can be used to offset any unexpected earnings shortfall. Johnson & Johnson scores a 2.3 on our Dividend Cushion™, which is GOOD.

## Dividend Growth Potential — EXCELLENT

We judge the future potential growth of the dividend by evaluating the capacity for future increases, as measured by the Dividend Cushion™, and management's willingness to consistently raise the dividend, as measured by the firm's dividend track record. Johnson & Johnson registers an EXCELLENT rating on our scale, and we think the firm's annual dividend will be $3.81 per share within the next several years.

## Risk of Capital Loss — MEDIUM

We assess the risk of capital loss based on our analysis of a firm's intrinsic value at this point in time. If the stock is undervalued (based on our DCF process), we think the risk of failing to recoup one's original capital investment (ex dividends) is relatively LOW. If the stock is fairly valued (it falls within our fair value estimate range), we think the likelihood of losing capital (ex dividends) is MEDIUM. If the stock is trading above our estimate of its intrinsic value, we think the likelihood of losing at least a portion of one's original investment (ex dividends) is HIGH. Johnson & Johnson registers a score of MEDIUM on our scale.

## Dividend Track Record — HEALTHY

| Fiscal Year | Div's/Share ($) | Div Growth % | EPS ($) | Payout Ratio |
|---|---|---|---|---|
| Dec-99 | 0.55 | 0.0 | 1.47 | 37.4% |
| Dec-00 | 0.62 | 12.7 | 1.70 | 36.5% |
| Dec-01 | 0.70 | 12.9 | 1.84 | 38.0% |
| Dec-02 | 0.80 | 14.3 | 2.16 | 37.0% |
| Dec-03 | 0.93 | 16.3 | 2.40 | 38.8% |
| Dec-04 | 1.10 | 18.3 | 2.84 | 38.7% |
| Dec-05 | 1.28 | 16.4 | 3.46 | 37.0% |
| Dec-06 | 1.46 | 14.1 | 3.73 | 39.1% |
| Dec-07 | 1.62 | 11.0 | 3.63 | 44.6% |
| Dec-08 | 1.80 | 11.1 | 4.57 | 39.4% |
| Dec-09 | 1.93 | 7.2 | 4.40 | 43.9% |
| Dec-10 | 2.11 | 9.3 | 4.78 | 44.1% |
| Dec-11 | 2.25 | 6.6 | 3.49 | 64.5% |
| Dec-12 | 2.40 | 6.7 | 3.86 | 62.2% |
| Dec-13 | 2.59 | 7.9 | 4.81 | 53.8% |
| ***Dec-14*** | ***2.80*** | ***8.1*** | ***5.99*** | ***46.8%*** |
| *Dec-15* | *3.02* | *8.0* | *6.41* | *47.2%* |
| *Dec-16* | *3.27* | *8.0* | *6.65* | *49.1%* |
| *Dec-17* | *3.53* | *8.0* | *6.91* | *51.0%* |
| *Dec-18* | *3.81* | *8.0* | *7.21* | *52.9%* |

Light green shading denotes a dividend increase, while light red shading denotes a dividend decrease. Heavy green shading denotes a significant dividend increase, while heavy red shading denotes a significant dividend decrease or an excessive payout ratio. NA = Not Applicable.

To view our full 16-page equity report on Johnson & Johnson, please visit our website at www.valuentum.com



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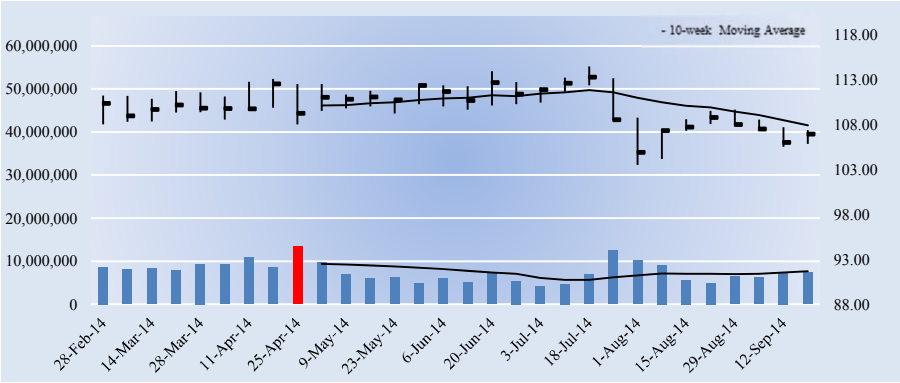
# Kimberly-Clark KMB FAIRLY VALUED

**Buying Index™** 4 **Value Rating**

| Economic Castle | Stock Fair Value Range | Dividend Track Record | Dividend Safety / Cushion™ | Div Growth Potential | Dividend Yield |
|---|---|---|---|---|---|
| Attractive | $82.00 - $124.00 | HEALTHY | GOOD / 1.3 | EXCELLENT | 3.14% |

**Kimberly-Clark boasts a nice dividend yield, and the firm's Dividend Cushion ratio suggests decent future dividend growth.**

## Stock Chart (weekly)




## Key Dividend Considerations

| | |
|---|---|
| Current Annual Dividend Yield | **3.14%** |
| Annual Dividends per Share | **$3.36** |
| Initial Annual Div's Paid, $10k Investment | **$314.22** |
| Dividend Track Record | **HEALTHY** |
| Dividend Safety | **GOOD** |
| Valuentum Dividend Cushion™ | **1.3** |
| Dividend Growth Potential | **EXCELLENT** |
| Risk of Capital Loss | **MEDIUM** |
| ValueRisk™ (Equity Margin of Safety) | **LOW** |

The Valuentum Dividend Cushion is a ratio that compares the firm's excess cash and cash flow to its future dividend stream. A score above 1 indicates cash flow is sufficient to cover future dividends (higher is better).

## Dividend Strength

| Dividend Safety \ Dividend Growth | Very Poor | Poor | Good | Excellent |
|---|---|---|---|---|
| Excellent | | | | |
| Good | | | | ■ |
| Poor | | | | |
| Very Poor | | | | |

Firms that have safe and growing dividends score at the top right of our scale.

## Company Vitals

| | |
|---|---|
| Market Cap (USD) | $41,414 |
| Avg Weekly Vol (30 wks) | 7,561 |
| 30-week Range (USD) | 103.5 - 114.45 |
| Valuentum Sector | Consumer Staples |
| Last Fiscal Year Revenue | 21,152 |
| Last Fiscal Year EPS | 5.53 |
| Last Fiscal Year EBITDA | 4,075 |
| Forward Revenue Growth (5-yr) | 3.8% |
| Forward EPS Growth (5-yr) | 9.2% |

## Dividend Vitals

| | |
|---|---|
| Current Annual Dividend Yield % | 3.1% |
| Annual Dividends Per Share | 3.36 |
| Forward Dividend Payout Ratio | 54.7% |
| 3-yr Historical Dividend CAGR | 6.3% |
| 15-yr Historical Dividend CAGR | 8.2% |
| 3-yr Hist Median Div Payout Ratio | 67.0% |
| 15-yr Hist Median Div Payout Ratio | 52.9% |

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

## Initial Annual Income Per Investment ($)

| # of Shares | Investment ($) | Annual Div's ($) |
|---|---|---|
| 25 | 2,673.25 | 84.00 |
| 50 | 5,346.50 | 168.00 |
| 100 | 10,693.00 | 336.00 |
| 200 | 21,386.00 | 672.00 |
| 300 | 32,079.00 | 1,008.00 |
| 400 | 42,772.00 | 1,344.00 |
| 500 | 53,465.00 | 1,680.00 |
| 1,000 | 106,930.00 | 3,360.00 |
| 2,000 | 213,860.00 | 6,720.00 |
| 5,000 | 534,650.00 | 16,800.00 |
| 10,000 | 1,069,300.00 | 33,600.00 |
| 50,000 | 5,346,500.00 | 168,000.00 |
| 100,000 | 10,693,000 | 336,000.00 |

Initial annual income is based on the firm's current forward annual dividend yield and could be subject to change.

## Dividend Safety / Cushion — GOOD / 1.3

We assess the safety of a firm's dividend by adding the company's net cash to our forecast of its free cash flows over the next five years. We then divide that sum by the total expected dividends over the next five years. This process results in our Dividend Cushion™ ratio. A Dividend Cushion™ above 1 indicates a firm can cover its future dividends with net cash on hand and future free cash flow, while a score below 1 signals trouble may be on the horizon. And by extension, the greater the score, the safer the dividend, as excess cash can be used to offset any unexpected earnings shortfall. Kimberly-Clark scores a 1.3 on our Dividend Cushion™, which is GOOD.

## Dividend Growth Potential — EXCELLENT

We judge the future potential growth of the dividend by evaluating the capacity for future increases, as measured by the Dividend Cushion™, and management's willingness to consistently raise the dividend, as measured by the firm's dividend track record. Kimberly-Clark registers an EXCELLENT rating on our scale, and we think the firm's annual dividend will be $4.12 per share within the next several years.

## Risk of Capital Loss — MEDIUM

We assess the risk of capital loss based on our analysis of a firm's intrinsic value at this point in time. If the stock is undervalued (based on our DCF process), we think the risk of failing to recoup one's original capital investment (ex dividends) is relatively LOW. If the stock is fairly valued (it falls within our fair value estimate range), we think the likelihood of losing capital (ex dividends) is MEDIUM. If the stock is trading above our estimate of its intrinsic value, we think the likelihood of losing at least a portion of one's original investment (ex dividends) is HIGH. Kimberly-Clark registers a score of MEDIUM on our scale.

## Dividend Track Record — HEALTHY

| Fiscal Year | Div's/Share ($) | Div Growth % | EPS ($) | Payout Ratio |
|---|---|---|---|---|
| Dec-99 | 1.03 | 0.0 | 3.09 | 33.3% |
| Dec-00 | 1.07 | 3.9 | 3.31 | 32.3% |
| Dec-01 | 1.11 | 3.7 | 3.05 | 36.4% |
| Dec-02 | 1.18 | 6.3 | 3.24 | 36.4% |
| Dec-03 | 1.32 | 11.9 | 3.33 | 39.6% |
| Dec-04 | 1.54 | 16.7 | 3.55 | 43.4% |
| Dec-05 | 1.75 | 13.6 | 3.31 | 52.9% |
| Dec-06 | 1.92 | 9.7 | 3.25 | 59.1% |
| Dec-07 | 2.08 | 8.3 | 4.09 | 50.9% |
| Dec-08 | 2.27 | 9.1 | 4.06 | 55.9% |
| Dec-09 | 2.40 | 5.7 | 4.52 | 53.1% |
| Dec-10 | 2.64 | 10.0 | 4.45 | 59.3% |
| Dec-11 | 2.80 | 6.1 | 3.99 | 70.2% |
| Dec-12 | 2.96 | 5.7 | 4.42 | 67.0% |
| Dec-13 | 3.24 | 9.5 | 5.53 | 58.6% |
| ***Dec-14*** | ***3.36*** | ***3.7*** | ***6.14*** | ***54.7%*** |
| *Dec-15* | *3.49* | *4.0* | *6.63* | *52.7%* |
| *Dec-16* | *3.67* | *5.0* | *7.25* | *50.6%* |
| *Dec-17* | *3.89* | *6.0* | *7.90* | *49.2%* |
| *Dec-18* | *4.12* | *6.0* | *8.59* | *48.0%* |

Light green shading denotes a dividend increase, while light red shading denotes a dividend decrease. Heavy green shading denotes a significant dividend increase, while heavy red shading denotes a significant dividend decrease or an excessive payout ratio. NA = Not Applicable.

To view our full 16-page equity report on Kimberly-Clark, please visit our website at www.valuentum.com



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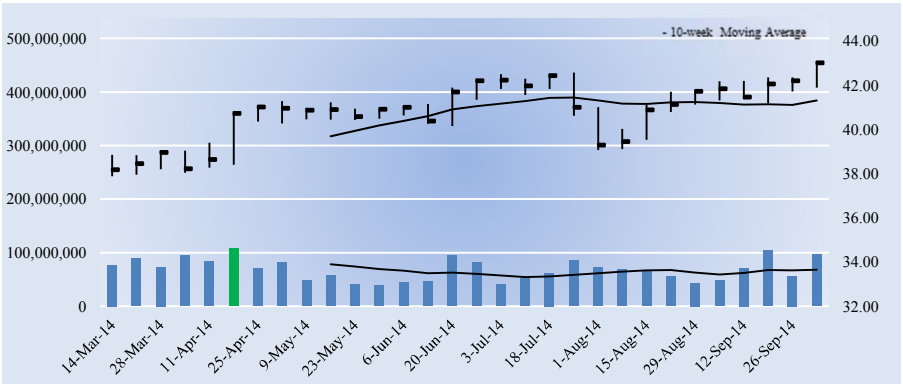
# Coca-Cola KO FAIRLY VALUED

**Buying Index™** 6 **Value Rating**

| Economic Castle | Stock Fair Value Range | Dividend Track Record | Dividend Safety / Cushion™ | Div Growth Potential | Dividend Yield |
|---|---|---|---|---|---|
| Attractive | $30.00 - $44.00 | HEALTHY | GOOD / 1.7 | EXCELLENT | 2.84% |

**Coca-Cola has raised its dividend in each of the past 50+ years.**

## Stock Chart (weekly)




## Key Dividend Considerations

| | |
|---|---|
| Current Annual Dividend Yield | **2.84%** |
| Annual Dividends per Share | **$1.22** |
| Initial Annual Div's Paid, $10k Investment | **$283.72** |
| Dividend Track Record | **HEALTHY** |
| Dividend Safety | **GOOD** |
| Valuentum Dividend Cushion™ | **1.7** |
| Dividend Growth Potential | **EXCELLENT** |
| Risk of Capital Loss | **MEDIUM** |
| ValueRisk™ (Equity Margin of Safety) | **LOW** |

The Valuentum Dividend Cushion is a ratio that compares the firm's excess cash and cash flow to its future dividend stream. A score above 1 indicates cash flow is sufficient to cover future dividends (higher is better).

## Dividend Strength

| Dividend Safety \ Dividend Growth | Very Poor | Poor | Good | Excellent |
|---|---|---|---|---|
| Excellent | | | | |
| Good | | | | ■ |
| Poor | | | | |
| Very Poor | | | | |

Firms that have safe and growing dividends score at the top right of our scale.

## Company Vitals

| | |
|---|---|
| Market Cap (USD) | $193,887 |
| Avg Weekly Vol (30 wks) | 68,304 |
| 30-week Range (USD) | 37.88 - 43.07 |
| Valuentum Sector | Consumer Staples |
| Last Fiscal Year Revenue | 46,854 |
| Last Fiscal Year EPS | 1.90 |
| Last Fiscal Year EBITDA | 12,205 |
| Forward Revenue Growth (5-yr) | 2.9% |
| Forward EPS Growth (5-yr) | 9.1% |

## Dividend Vitals

| | |
|---|---|
| Current Annual Dividend Yield % | 2.8% |
| Annual Dividends Per Share | 1.22 |
| Forward Dividend Payout Ratio | 58.4% |
| 3-yr Historical Dividend CAGR | 9.1% |
| 15-yr Historical Dividend CAGR | 9.3% |
| 3-yr Hist Median Div Payout Ratio | 103.6% |
| 15-yr Hist Median Div Payout Ratio | 57.4% |

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

## Initial Annual Income Per Investment ($)

| # of Shares | Investment ($) | Annual Div's ($) |
|---|---|---|
| 25 | 1,075.00 | 30.50 |
| 50 | 2,150.00 | 61.00 |
| 100 | 4,300.00 | 122.00 |
| 200 | 8,600.00 | 244.00 |
| 300 | 12,900.00 | 366.00 |
| 400 | 17,200.00 | 488.00 |
| 500 | 21,500.00 | 610.00 |
| 1,000 | 43,000.00 | 1,220.00 |
| 2,000 | 86,000.00 | 2,440.00 |
| 5,000 | 215,000.00 | 6,100.00 |
| 10,000 | 430,000.00 | 12,200.00 |
| 50,000 | 2,150,000.00 | 61,000.00 |
| 100,000 | 4,300,000.00 | 122,000.00 |

Initial annual income is based on the firm's current forward annual dividend yield and could be subject to change.

## Dividend Safety / Cushion — GOOD / 1.7

We assess the safety of a firm's dividend by adding the company's net cash to our forecast of its free cash flows over the next five years. We then divide that sum by the total expected dividends over the next five years. This process results in our Dividend Cushion™ ratio. A Dividend Cushion™ above 1 indicates a firm can cover its future dividends with net cash on hand and future free cash flow, while a score below 1 signals trouble may be on the horizon. And by extension, the greater the score, the safer the dividend, as excess cash can be used to offset any unexpected earnings shortfall. Coca-Cola scores a 1.7 on our Dividend Cushion™, which is GOOD.

## Dividend Growth Potential — EXCELLENT

We judge the future potential growth of the dividend by evaluating the capacity for future increases, as measured by the Dividend Cushion™, and management's willingness to consistently raise the dividend, as measured by the firm's dividend track record. Coca-Cola registers an EXCELLENT rating on our scale, and we think the firm's annual dividend will be $1.69 per share within the next several years.

## Risk of Capital Loss — MEDIUM

We assess the risk of capital loss based on our analysis of a firm's intrinsic value at this point in time. If the stock is undervalued (based on our DCF process), we think the risk of failing to recoup one's original capital investment (ex dividends) is relatively LOW. If the stock is fairly valued (it falls within our fair value estimate range), we think the likelihood of losing capital (ex dividends) is MEDIUM. If the stock is trading above our estimate of its intrinsic value, we think the likelihood of losing at least a portion of one's original investment (ex dividends) is HIGH. Coca-Cola registers a score of MEDIUM on our scale.

## Dividend Track Record — HEALTHY

| Fiscal Year | Div's/Share ($) | Div Growth % | EPS ($) | Payout Ratio |
|---|---|---|---|---|
| Dec-99 | 0.32 | 0.0 | 0.49 | 65.3% |
| Dec-00 | 0.34 | 6.3 | 0.44 | 77.3% |
| Dec-01 | 0.36 | 5.9 | 0.80 | 45.0% |
| Dec-02 | 0.40 | 11.1 | 0.80 | 50.0% |
| Dec-03 | 0.44 | 10.0 | 0.89 | 49.7% |
| Dec-04 | 0.50 | 13.6 | 1.00 | 50.0% |
| Dec-05 | 0.56 | 12.0 | 1.02 | 54.9% |
| Dec-06 | 0.62 | 10.7 | 1.08 | 57.4% |
| Dec-07 | 0.68 | 9.7 | 1.29 | 52.9% |
| Dec-08 | 0.76 | 11.8 | 1.25 | 61.0% |
| Dec-09 | 0.82 | 7.9 | 1.47 | 56.0% |
| Dec-10 | 0.88 | 7.3 | 1.27 | 69.6% |
| Dec-11 | 0.94 | 6.8 | 0.93 | 101.6% |
| Dec-12 | 1.02 | 8.5 | 0.99 | 103.6% |
| Dec-13 | 1.12 | 9.8 | 0.95 | 117.9% |
| ***Dec-14*** | ***1.22*** | ***8.9*** | ***2.09*** | ***58.4%*** |
| *Dec-15* | *1.33* | *9.0* | *2.22* | *59.8%* |
| *Dec-16* | *1.45* | *9.0* | *2.44* | *59.5%* |
| *Dec-17* | *1.57* | *8.0* | *2.68* | *58.5%* |
| *Dec-18* | *1.69* | *8.0* | *2.95* | *57.4%* |

Light green shading denotes a dividend increase, while light red shading denotes a dividend decrease. Heavy green shading denotes a significant dividend increase, while heavy red shading denotes a significant dividend decrease or an excessive payout ratio. NA = Not Applicable.

To view our full 16-page equity report on Coca-Cola, please visit our website at www.valuentum.com



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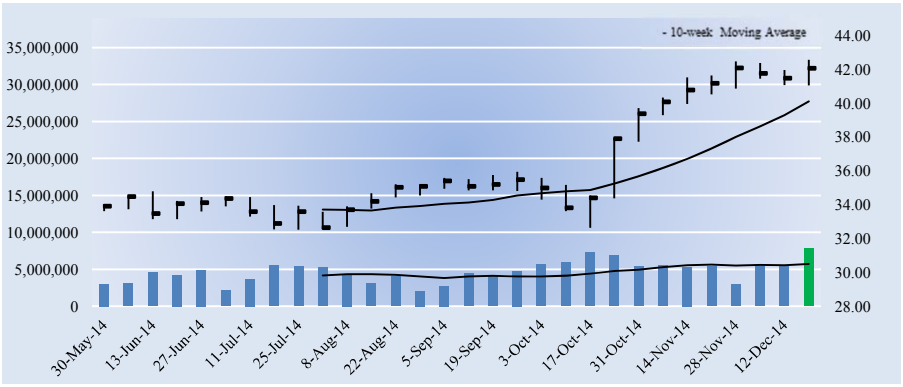
# Leggett & Platt LEG OVERVALUED 7.3%

**Buying Index™** 4 **Value Rating** ✗

| Economic Castle | Stock Fair Value Range | Dividend Track Record | Dividend Safety / Cushion™ | Div Growth Potential | Dividend Yield |
|---|---|---|---|---|---|
| Attractive | $25.00 - $39.00 | HEALTHY | GOOD / 1.2 | GOOD | 2.95% |

**Leggett & Platt's dividend should expand at a mid-single-digit annual pace in coming years, as it targets a dividend payout between 50%-60%.**

## Stock Chart (weekly)




## Company Vitals

| | |
|---|---|
| Market Cap (USD) | $6,195 |
| Avg Weekly Vol (30 wks) | 4,675 |
| 30-week Range (USD) | 32.53 - 42.57 |
| Valuentum Sector | Consumer Discretionary |
| Last Fiscal Year Revenue | 3,746 |
| Last Fiscal Year EPS | 1.29 |
| Last Fiscal Year EBITDA | 375 |
| Forward Revenue Growth (5-yr) | 4.5% |
| Forward EPS Growth (5-yr) | 16.1% |

## Dividend Vitals

| | |
|---|---|
| Current Annual Dividend Yield % | 2.9% |
| Annual Dividends Per Share | 1.24 |
| Forward Dividend Payout Ratio | 66.4% |
| 3-yr Historical Dividend CAGR | 5.4% |
| 15-yr Historical Dividend CAGR | 9.5% |
| 3-yr Hist Median Div Payout Ratio | 91.4% |
| 15-yr Hist Median Div Payout Ratio | 50.5% |

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

## Initial Annual Income Per Investment ($)

| # of Shares | Investment ($) | Annual Div's ($) |
|---|---|---|
| 25 | 1,051.50 | 31.00 |
| 50 | 2,103.00 | 62.00 |
| 100 | 4,206.00 | 124.00 |
| 200 | 8,412.00 | 248.00 |
| 300 | 12,618.00 | 372.00 |
| 400 | 16,824.00 | 496.00 |
| 500 | 21,030.00 | 620.00 |
| 1,000 | 42,060.00 | 1,240.00 |
| 2,000 | 84,120.00 | 2,480.00 |
| 5,000 | 210,300.00 | 6,200.00 |
| 10,000 | 420,600.00 | 12,400.00 |
| 50,000 | 2,103,000.00 | 62,000.00 |
| 100,000 | 4,206,000.00 | 124,000.00 |

Initial annual income is based on the firm's current forward annual dividend yield and could be subject to change.

## Dividend Safety / Cushion — GOOD / 1.2

We assess the safety of a firm's dividend by adding the company's net cash to our forecast of its free cash flows over the next five years. We then divide that sum by the total expected dividends over the next five years. This process results in our Dividend Cushion™ ratio. A Dividend Cushion™ above 1 indicates a firm can cover its future dividends with net cash on hand and future free cash flow, while a score below 1 signals trouble may be on the horizon. And by extension, the greater the score, the safer the dividend, as excess cash can be used to offset any unexpected earnings shortfall. Leggett & Platt scores a 1.2 on our Dividend Cushion™, which is GOOD.

## Dividend Growth Potential — GOOD

We judge the future potential growth of the dividend by evaluating the capacity for future increases, as measured by the Dividend Cushion™, and management's willingness to consistently raise the dividend, as measured by the firm's dividend track record. Leggett & Platt registers an GOOD rating on our scale, and we think the firm's annual dividend will be $1.51 per share within the next several years.

## Risk of Capital Loss — HIGH

We assess the risk of capital loss based on our analysis of a firm's intrinsic value at this point in time. If the stock is undervalued (based on our DCF process), we think the risk of failing to recoup one's original capital investment (ex dividends) is relatively LOW. If the stock is fairly valued (it falls within our fair value estimate range), we think the likelihood of losing capital (ex dividends) is MEDIUM. If the stock is trading above our estimate of its intrinsic value, we think the likelihood of losing at least a portion of one's original investment (ex dividends) is HIGH. Leggett & Platt registers a score of HIGH on our scale.

## Key Dividend Considerations

| | |
|---|---|
| Current Annual Dividend Yield | **2.95%** |
| Annual Dividends per Share | **$1.24** |
| Initial Annual Div's Paid, $10k Investment | **$294.82** |
| Dividend Track Record | **HEALTHY** |
| Dividend Safety | **GOOD** |
| Valuentum Dividend Cushion™ | **1.2** |
| Dividend Growth Potential | **GOOD** |
| Risk of Capital Loss | **HIGH** |
| ValueRisk™ (Equity Margin of Safety) | **MEDIUM** |

The Valuentum Dividend Cushion is a ratio that compares the firm's excess cash and cash flow to its future dividend stream. A score above 1 indicates cash flow is sufficient to cover future dividends (higher is better).

## Dividend Strength

| Dividend Safety \ Dividend Growth | Very Poor | Poor | Good | Excellent |
|---|---|---|---|---|
| Excellent | | | | |
| Good | | | ■ | |
| Poor | | | | |
| Very Poor | | | | |

Firms that have safe and growing dividends score at the top right of our scale.

## Dividend Track Record — HEALTHY

| Fiscal Year | Div's/Share ($) | Div Growth % | EPS ($) | Payout Ratio |
|---|---|---|---|---|
| Dec-98 | 0.32 | 0.0 | 1.24 | 25.8% |
| Dec-99 | 0.36 | 12.5 | 1.45 | 24.8% |
| Dec-00 | 0.42 | 16.7 | 1.32 | 31.8% |
| Dec-01 | 0.48 | 14.3 | 0.94 | 51.1% |
| Dec-02 | 0.50 | 4.2 | 1.17 | 42.7% |
| Dec-03 | 0.53 | 6.0 | 1.05 | 50.5% |
| Dec-04 | 0.57 | 7.5 | 1.45 | 39.3% |
| Dec-05 | 0.62 | 8.8 | 1.30 | 47.7% |
| Dec-06 | 0.66 | 6.5 | 1.61 | 41.0% |
| Dec-07 | 0.70 | 6.1 | 0.28 | 250.0% |
| Dec-08 | 1.00 | 42.9 | 0.73 | 137.0% |
| Dec-09 | 1.02 | 2.0 | 0.74 | 137.8% |
| Dec-10 | 1.06 | 3.9 | 1.16 | 91.4% |
| Dec-11 | 1.10 | 3.8 | 1.04 | 105.8% |
| Dec-12 | 1.14 | 3.6 | 1.68 | 67.9% |
| ***Dec-14*** | ***1.24*** | ***8.8*** | ***1.87*** | ***66.4%*** |
| *Dec-15* | *1.30* | *5.0* | *2.07* | *62.9%* |
| *Dec-16* | *1.37* | *5.0* | *2.28* | *60.0%* |
| *Dec-17* | *1.44* | *5.0* | *2.50* | *57.4%* |
| *Dec-18* | *1.51* | *5.0* | *2.73* | *55.3%* |

Light green shading denotes a dividend increase, while light red shading denotes a dividend decrease. Heavy green shading denotes a significant dividend increase, while heavy red shading denotes a significant dividend decrease or an excessive payout ratio. NA = Not Applicable.

To view our full 16-page equity report on Leggett & Platt, please visit our website at www.valuentum.com



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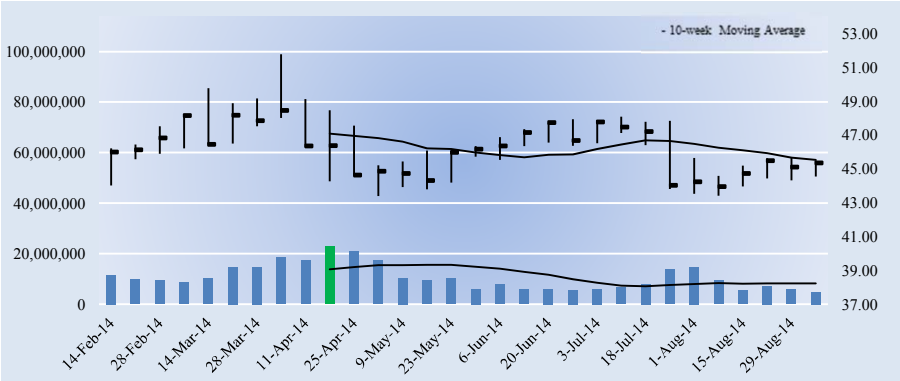
# Linear Technology LLTC FAIRLY VALUED

**Buying Index™** 3 **Value Rating**

| Economic Castle | Stock Fair Value Range | Dividend Track Record | Dividend Safety / Cushion™ | Div Growth Potential | Dividend Yield |
|---|---|---|---|---|---|
| Highest Rated | $34.00 - $52.00 | HEALTHY | EXCELLENT / 3.2 | GOOD | 2.38% |

## Linear Tech boasts an attractive Dividend Cushion ratio.

### Stock Chart (weekly)




### Key Dividend Considerations

| | |
|---|---|
| Current Annual Dividend Yield | **2.38%** |
| Annual Dividends per Share | **$1.08** |
| Initial Annual Div's Paid, $10k Investment | **$238.15** |
| Dividend Track Record | **HEALTHY** |
| Dividend Safety | **EXCELLENT** |
| Valuentum Dividend Cushion™ | **3.2** |
| Dividend Growth Potential | **GOOD** |
| Risk of Capital Loss | **MEDIUM** |
| ValueRisk™ (Equity Margin of Safety) | **LOW** |

The Valuentum Dividend Cushion is a ratio that compares the firm's excess cash and cash flow to its future dividend stream. A score above 1 indicates cash flow is sufficient to cover future dividends (higher is better).

### Dividend Strength

| Dividend Safety \ Dividend Growth | Very Poor | Poor | Good | Excellent |
|---|---|---|---|---|
| Excellent | | | ■ | |
| Good | | | | |
| Poor | | | | |
| Very Poor | | | | |

Firms that have safe and growing dividends score at the top right of our scale.

### Company Vitals

| | |
|---|---|
| Market Cap (USD) | $11,000 |
| Avg Weekly Vol (30 wks) | 10,629 |
| 30-week Range (USD) | 43.39 - 51.77 |
| Valuentum Sector | Information Technology |
| Last Fiscal Year Revenue | 1,388 |
| Last Fiscal Year EPS | 1.90 |
| Last Fiscal Year EBITDA | 709 |
| Forward Revenue Growth (5-yr) | 7.4% |
| Forward EPS Growth (5-yr) | 10.2% |

### Dividend Vitals

| | |
|---|---|
| Current Annual Dividend Yield % | 2.4% |
| Annual Dividends Per Share | 1.08 |
| Forward Dividend Payout Ratio | 48.4% |
| 3-yr Historical Dividend CAGR | 1.9% |
| 15-yr Historical Dividend CAGR | 3.3% |
| 3-yr Hist Median Div Payout Ratio | 55.8% |
| 15-yr Hist Median Div Payout Ratio | 57.0% |

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

### Initial Annual Income Per Investment ($)

| # of Shares | Investment ($) | Annual Div's ($) |
|---|---|---|
| 25 | 1,133.75 | 27.00 |
| 50 | 2,267.50 | 54.00 |
| 100 | 4,535.00 | 108.00 |
| 200 | 9,070.00 | 216.00 |
| 300 | 13,605.00 | 324.00 |
| 400 | 18,140.00 | 432.00 |
| 500 | 22,675.00 | 540.00 |
| 1,000 | 45,350.00 | 1,080.00 |
| 2,000 | 90,700.00 | 2,160.00 |
| 5,000 | 226,750.00 | 5,400.00 |
| 10,000 | 453,500.00 | 10,800.00 |
| 50,000 | 2,267,500.00 | 54,000.00 |
| 100,000 | 4,535,000.00 | 108,000.00 |

Initial annual income is based on the firm's current forward annual dividend yield and could be subject to change.

### Dividend Safety / Cushion — EXCELLENT / 3.2

We assess the safety of a firm's dividend by adding the company's net cash to our forecast of its free cash flows over the next five years. We then divide that sum by the total expected dividends over the next five years. This process results in our Dividend Cushion™ ratio. A Dividend Cushion™ above 1 indicates a firm can cover its future dividends with net cash on hand and future free cash flow, while a score below 1 signals trouble may be on the horizon. And by extension, the greater the score, the safer the dividend, as excess cash can be used to offset any unexpected earnings shortfall. Linear Technology scores a 3.2 on our Dividend Cushion™, which is EXCELLENT.

### Dividend Growth Potential — GOOD

We judge the future potential growth of the dividend by evaluating the capacity for future increases, as measured by the Dividend Cushion™, and management's willingness to consistently raise the dividend, as measured by the firm's dividend track record. Linear Technology registers an GOOD rating on our scale, and we think the firm's annual dividend will be $1.17 per share within the next several years.

### Risk of Capital Loss — MEDIUM

We assess the risk of capital loss based on our analysis of a firm's intrinsic value at this point in time. If the stock is undervalued (based on our DCF process), we think the risk of failing to recoup one's original capital investment (ex dividends) is relatively LOW. If the stock is fairly valued (it falls within our fair value estimate range), we think the likelihood of losing capital (ex dividends) is MEDIUM. If the stock is trading above our estimate of its intrinsic value, we think the likelihood of losing at least a portion of one's original investment (ex dividends) is HIGH. Linear Technology registers a score of MEDIUM on our scale.

### Dividend Track Record — HEALTHY

| Fiscal Year | Div's/Share ($) | Div Growth % | EPS ($) | Payout Ratio |
|---|---|---|---|---|
| Jun-07 | 0.66 | 0.0 | 1.39 | 0.0% |
| Jun-08 | 0.78 | 18.2 | 1.71 | 45.6% |
| Jun-08 | 0.78 | 0.0 | 1.71 | 45.6% |
| Jun-09 | 0.86 | 10.3 | 1.41 | 61.0% |
| Jun-09 | 0.86 | 0.0 | 1.41 | 61.0% |
| Jun-10 | 0.90 | 4.7 | 1.58 | 57.0% |
| Jun-10 | 0.90 | 0.0 | 1.58 | 57.0% |
| Jun-11 | 0.94 | 4.4 | 2.50 | 37.6% |
| Jun-11 | 0.94 | 0.0 | 2.50 | 37.6% |
| Jun-12 | 0.98 | 4.3 | 1.70 | 57.6% |
| Jun-12 | 0.98 | 0.0 | 1.70 | 57.6% |
| Jun-13 | 1.02 | 4.1 | 1.71 | 59.6% |
| Jun-13 | 1.02 | 0.0 | 1.71 | 59.6% |
| Jun-14 | 1.06 | 3.9 | 1.90 | 55.8% |
| Jun-14 | 1.06 | 0.0 | 1.90 | 55.8% |
| ***Jun-14*** | ***1.08*** | ***1.9*** | ***2.23*** | ***48.4%*** |
| *Jun-15* | *1.10* | *2.0* | *2.50* | *44.0%* |
| *Jun-16* | *1.12* | *2.0* | *2.71* | *41.4%* |
| *Jun-17* | *1.15* | *2.0* | *2.91* | *39.4%* |
| *Jun-18* | *1.17* | *2.0* | *3.08* | *38.0%* |

Light green shading denotes a dividend increase, while light red shading denotes a dividend decrease. Heavy green shading denotes a significant dividend increase, while heavy red shading denotes a significant dividend decrease or an excessive payout ratio. NA = Not Applicable.

To view our full 16-page equity report on Linear Technology, please visit our website at www.valuentum.com



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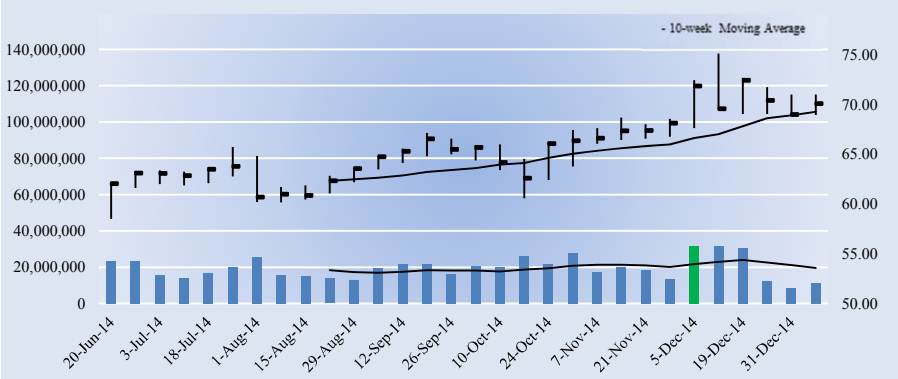
# Eli Lilly LLY FAIRLY VALUED

**Buying Index™** 6 **Value Rating**

| Economic Castle | Stock Fair Value Range | Dividend Track Record | Dividend Safety / Cushion™ | Div Growth Potential | Dividend Yield |
|---|---|---|---|---|---|
| Attractive | $49.00 - $73.00 | HEALTHY | GOOD / 2 | GOOD | 2.80% |

**Though the timing is uncertain, we expect Eli Lilly's dividend to return to growth.**

## Stock Chart (weekly)




## Key Dividend Considerations

| | |
|---|---|
| Current Annual Dividend Yield | **2.80%** |
| Annual Dividends per Share | **$1.96** |
| Initial Annual Div's Paid, $10k Investment | **$279.76** |
| Dividend Track Record | **HEALTHY** |
| Dividend Safety | **GOOD** |
| Valuentum Dividend Cushion™ | **2.0** |
| Dividend Growth Potential | **GOOD** |
| Risk of Capital Loss | **MEDIUM** |
| ValueRisk™ (Equity Margin of Safety) | **LOW** |

The Valuentum Dividend Cushion is a ratio that compares the firm's excess cash and cash flow to its future dividend stream. A score above 1 indicates cash flow is sufficient to cover future dividends (higher is better).

## Dividend Strength

| Dividend Safety \ Dividend Growth | Very Poor | Poor | Good | Excellent |
|---|---|---|---|---|
| Excellent | | | | |
| Good | | | ■ | |
| Poor | | | | |
| Very Poor | | | | |

Firms that have safe and growing dividends score at the top right of our scale.

## Company Vitals

| | |
|---|---|
| Market Cap (USD) | $75,999 |
| Avg Weekly Vol (30 wks) | 19,581 |
| 30-week Range (USD) | 58.5 - 75.1 |
| Valuentum Sector | Health Care |
| Last Fiscal Year Revenue | 23,113 |
| Last Fiscal Year EPS | 4.27 |
| Last Fiscal Year EBITDA | 6,994 |
| Forward Revenue Growth (5-yr) | 1.5% |
| Forward EPS Growth (5-yr) | 5.0% |

## Dividend Vitals

| | |
|---|---|
| Current Annual Dividend Yield % | 2.8% |
| Annual Dividends Per Share | 1.96 |
| Forward Dividend Payout Ratio | 69.8% |
| 3-yr Historical Dividend CAGR | 0.0% |
| 15-yr Historical Dividend CAGR | 5.2% |
| 3-yr Hist Median Div Payout Ratio | 50.3% |
| 15-yr Hist Median Div Payout Ratio | 49.7% |

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

## Initial Annual Income Per Investment ($)

| # of Shares | Investment ($) | Annual Div's ($) |
|---|---|---|
| 25 | 1,751.50 | 49.00 |
| 50 | 3,503.00 | 98.00 |
| 100 | 7,006.00 | 196.00 |
| 200 | 14,012.00 | 392.00 |
| 300 | 21,018.00 | 588.00 |
| 400 | 28,024.00 | 784.00 |
| 500 | 35,030.00 | 980.00 |
| 1,000 | 70,060.00 | 1,960.00 |
| 2,000 | 140,120.00 | 3,920.00 |
| 5,000 | 350,300.00 | 9,800.00 |
| 10,000 | 700,600.00 | 19,600.00 |
| 50,000 | 3,503,000.00 | 98,000.00 |
| 100,000 | 7,006,000.00 | 196,000.00 |

Initial annual income is based on the firm's current forward annual dividend yield and could be subject to change.

## Dividend Safety / Cushion — GOOD / 2

We assess the safety of a firm's dividend by adding the company's net cash to our forecast of its free cash flows over the next five years. We then divide that sum by the total expected dividends over the next five years. This process results in our Dividend Cushion™ ratio. A Dividend Cushion™ above 1 indicates a firm can cover its future dividends with net cash on hand and future free cash flow, while a score below 1 signals trouble may be on the horizon. And by extension, the greater the score, the safer the dividend, as excess cash can be used to offset any unexpected earnings shortfall. Eli Lilly scores a 2 on our Dividend Cushion™, which is GOOD.

## Dividend Growth Potential — GOOD

We judge the future potential growth of the dividend by evaluating the capacity for future increases, as measured by the Dividend Cushion™, and management's willingness to consistently raise the dividend, as measured by the firm's dividend track record. Eli Lilly registers an GOOD rating on our scale, and we think the firm's annual dividend will be $2.29 per share within the next several years.

## Risk of Capital Loss — MEDIUM

We assess the risk of capital loss based on our analysis of a firm's intrinsic value at this point in time. If the stock is undervalued (based on our DCF process), we think the risk of failing to recoup one's original capital investment (ex dividends) is relatively LOW. If the stock is fairly valued (it falls within our fair value estimate range), we think the likelihood of losing capital (ex dividends) is MEDIUM. If the stock is trading above our estimate of its intrinsic value, we think the likelihood of losing at least a portion of one's original investment (ex dividends) is HIGH. Eli Lilly registers a score of MEDIUM on our scale.

## Dividend Track Record — HEALTHY

| Fiscal Year | Div's/Share ($) | Div Growth % | EPS ($) | Payout Ratio |
|---|---|---|---|---|
| Dec-99 | 0.92 | 0.0 | 2.30 | 40.0% |
| Dec-00 | 1.04 | 13.0 | 2.79 | 37.3% |
| Dec-01 | 1.12 | 7.7 | 2.58 | 43.4% |
| Dec-02 | 1.24 | 10.7 | 2.50 | 49.6% |
| Dec-03 | 1.34 | 8.1 | 2.37 | 56.5% |
| Dec-04 | 1.42 | 6.0 | 1.66 | 85.5% |
| Dec-05 | 1.52 | 7.0 | 1.83 | 83.1% |
| Dec-06 | 1.60 | 5.3 | 2.45 | 65.3% |
| Dec-07 | 1.70 | 6.3 | 2.71 | 62.7% |
| Dec-08 | 1.88 | 10.6 | -1.89 | -99.5% |
| Dec-09 | 1.96 | 4.3 | 3.94 | 49.7% |
| Dec-10 | 1.96 | 0.0 | 4.58 | 42.8% |
| Dec-11 | 1.96 | 0.0 | 3.90 | 50.3% |
| Dec-12 | 1.96 | 0.0 | 3.66 | 53.6% |
| Dec-13 | 1.96 | 0.0 | 4.32 | 45.4% |
| ***Dec-14*** | ***1.96*** | ***0.0*** | ***2.81*** | ***69.8%*** |
| *Dec-15* | *2.02* | *3.0* | *3.24* | *62.3%* |
| *Dec-16* | *2.08* | *3.0* | *3.89* | *53.4%* |
| *Dec-17* | *2.18* | *5.0* | *4.62* | *47.2%* |
| *Dec-18* | *2.29* | *5.0* | *5.43* | *42.2%* |

Light green shading denotes a dividend increase, while light red shading denotes a dividend decrease. Heavy green shading denotes a significant dividend increase, while heavy red shading denotes a significant dividend decrease or an excessive payout ratio. NA = Not Applicable.

To view our full 16-page equity report on Eli Lilly, please visit our website at www.valuentum.com



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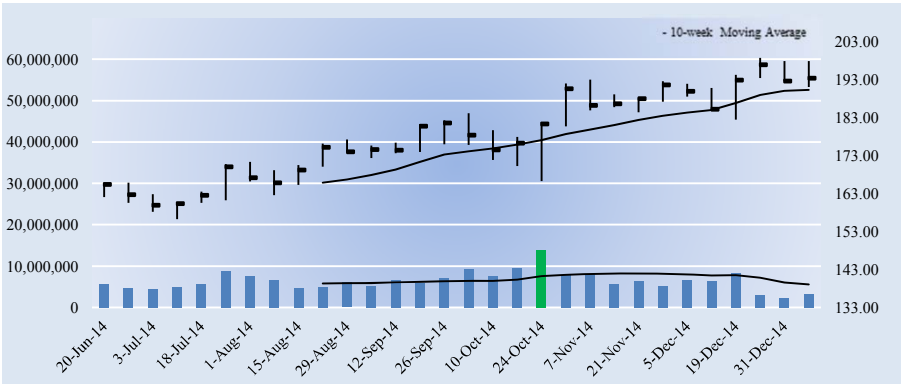
# Lockheed Martin LMT FAIRLY VALUED

**Buying Index™** 6 **Value Rating**

| Economic Castle | Stock Fair Value Range | Dividend Track Record | Dividend Safety / Cushion™ | Div Growth Potential | Dividend Yield |
|---|---|---|---|---|---|
| Very Attractive | $135.00 - $203.00 | HEALTHY | GOOD / 1.7 | EXCELLENT | 3.10% |

**Lockheed Martin stands out to us as one of the better income plays on the market today.**

## Stock Chart (weekly)




## Company Vitals

| | |
|---|---|
| Market Cap (USD) | $63,116 |
| Avg Weekly Vol (30 wks) | 6,430 |
| 30-week Range (USD) | 156.23 - 198.72 |
| Valuentum Sector | Industrials |
| Last Fiscal Year Revenue | 45,358 |
| Last Fiscal Year EPS | 9.04 |
| Last Fiscal Year EBITDA | 5,177 |
| Forward Revenue Growth (5-yr) | 1.9% |
| Forward EPS Growth (5-yr) | 10.9% |

## Dividend Vitals

| | |
|---|---|
| Current Annual Dividend Yield % | 3.1% |
| Annual Dividends Per Share | 6.00 |
| Forward Dividend Payout Ratio | 53.0% |
| 3-yr Historical Dividend CAGR | 22.7% |
| 15-yr Historical Dividend CAGR | NA |
| 3-yr Hist Median Div Payout Ratio | 49.6% |
| 15-yr Hist Median Div Payout Ratio | 29.8% |

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

## Initial Annual Income Per Investment ($)

| # of Shares | Investment ($) | Annual Div's ($) |
|---|---|---|
| 25 | 4,832.75 | 150.00 |
| 50 | 9,665.50 | 300.00 |
| 100 | 19,331.00 | 600.00 |
| 200 | 38,662.00 | 1,200.00 |
| 300 | 57,993.00 | 1,800.00 |
| 400 | 77,324.00 | 2,400.00 |
| 500 | 96,655.00 | 3,000.00 |
| 1,000 | 193,310.00 | 6,000.00 |
| 2,000 | 386,620.00 | 12,000.00 |
| 5,000 | 966,550.00 | 30,000.00 |
| 10,000 | 1,933,100.00 | 60,000.00 |
| 50,000 | 9,665,500.00 | 300,000.00 |
| 100,000 | 19,331,000 | 600,000.00 |

Initial annual income is based on the firm's current forward annual dividend yield and could be subject to change.

## Dividend Safety / Cushion — GOOD / 1.7

We assess the safety of a firm's dividend by adding the company's net cash to our forecast of its free cash flows over the next five years. We then divide that sum by the total expected dividends over the next five years. This process results in our Dividend Cushion™ ratio. A Dividend Cushion™ above 1 indicates a firm can cover its future dividends with net cash on hand and future free cash flow, while a score below 1 signals trouble may be on the horizon. And by extension, the greater the score, the safer the dividend, as excess cash can be used to offset any unexpected earnings shortfall. Lockheed Martin scores a 1.7 on our Dividend Cushion™, which is GOOD.

## Dividend Growth Potential — EXCELLENT

We judge the future potential growth of the dividend by evaluating the capacity for future increases, as measured by the Dividend Cushion™, and management's willingness to consistently raise the dividend, as measured by the firm's dividend track record. Lockheed Martin registers an EXCELLENT rating on our scale, and we think the firm's annual dividend will be $9.18 per share within the next several years.

## Risk of Capital Loss — MEDIUM

We assess the risk of capital loss based on our analysis of a firm's intrinsic value at this point in time. If the stock is undervalued (based on our DCF process), we think the risk of failing to recoup one's original capital investment (ex dividends) is relatively LOW. If the stock is fairly valued (it falls within our fair value estimate range), we think the likelihood of losing capital (ex dividends) is MEDIUM. If the stock is trading above our estimate of its intrinsic value, we think the likelihood of losing at least a portion of one's original investment (ex dividends) is HIGH. Lockheed Martin registers a score of MEDIUM on our scale.

## Key Dividend Considerations

| | |
|---|---|
| Current Annual Dividend Yield | **3.10%** |
| Annual Dividends per Share | **$6.00** |
| Initial Annual Div's Paid, $10k Investment | **$310.38** |
| Dividend Track Record | **HEALTHY** |
| Dividend Safety | **GOOD** |
| Valuentum Dividend Cushion™ | **1.7** |
| Dividend Growth Potential | **EXCELLENT** |
| Risk of Capital Loss | **MEDIUM** |
| ValueRisk™ (Equity Margin of Safety) | **LOW** |

The Valuentum Dividend Cushion is a ratio that compares the firm's excess cash and cash flow to its future dividend stream. A score above 1 indicates cash flow is sufficient to cover future dividends (higher is better).

## Dividend Strength

| Dividend Safety \ Dividend Growth | Very Poor | Poor | Good | Excellent |
|---|---|---|---|---|
| Excellent | | | | |
| Good | | | | |
| Poor | | | | |
| Very Poor | | | | |

Firms that have safe and growing dividends score at the top right of our scale.

## Dividend Track Record — HEALTHY

| Fiscal Year | Div's/Share ($) | Div Growth % | EPS ($) | Payout Ratio |
|---|---|---|---|---|
| Dec-99 | NA | 0.0 | 1.92 | 0.0% |
| Dec-00 | NA | 0.0 | -1.05 | 0.0% |
| Dec-01 | NA | 0.0 | 0.18 | 0.0% |
| Dec-02 | 0.44 | 0.0 | 1.18 | 37.3% |
| Dec-03 | 0.58 | 31.8 | 2.34 | 24.8% |
| Dec-04 | 0.91 | 56.9 | 2.83 | 32.2% |
| Dec-05 | 1.05 | 15.4 | 4.10 | 25.6% |
| Dec-06 | 1.25 | 19.0 | 5.80 | 21.6% |
| Dec-07 | 1.47 | 17.6 | 7.10 | 20.7% |
| Dec-08 | 2.34 | 59.2 | 7.86 | 29.8% |
| Dec-09 | 2.34 | 0.0 | 7.78 | 30.1% |
| Dec-10 | 2.64 | 12.8 | 7.18 | 36.8% |
| Dec-11 | 3.25 | 23.1 | 7.85 | 41.4% |
| Dec-12 | 4.15 | 27.7 | 8.36 | 49.6% |
| Dec-13 | 4.78 | 15.2 | 9.04 | 52.9% |
| ***Dec-14*** | ***6.00*** | ***25.5*** | ***11.31*** | ***53.0%*** |
| *Dec-15* | *6.90* | *15.0* | *11.64* | *59.3%* |
| *Dec-16* | *7.73* | *12.0* | *12.59* | *61.4%* |
| *Dec-17* | *8.50* | *10.0* | *13.74* | *61.9%* |
| *Dec-18* | *9.18* | *8.0* | *15.13* | *60.7%* |

Light green shading denotes a dividend increase, while light red shading denotes a dividend decrease. Heavy green shading denotes a significant dividend increase, while heavy red shading denotes a significant dividend decrease or an excessive payout ratio. NA = Not Applicable.

To view our full 16-page equity report on Lockheed Martin, please visit our website at www.valuentum.com



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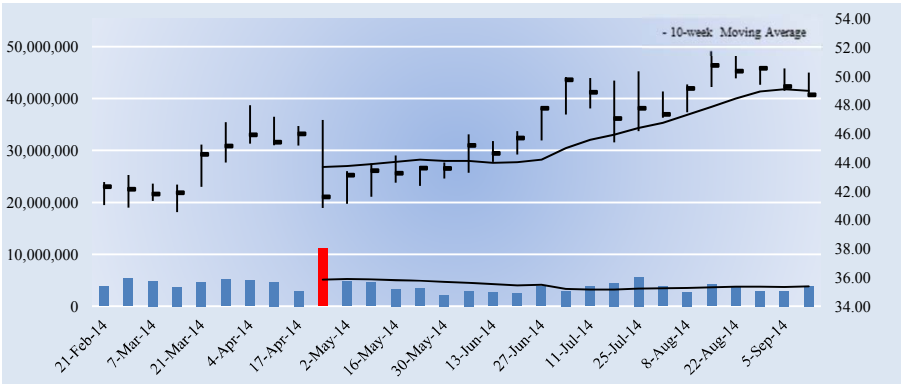
# Lexmark LXK FAIRLY VALUED

**Buying Index™** 6 **Value Rating**

| Economic Castle | Stock Fair Value Range | Dividend Track Record | Dividend Safety / Cushion™ | Div Growth Potential | Dividend Yield |
|---|---|---|---|---|---|
| Attractive | $37.00 - $55.00 | HEALTHY | EXCELLENT / 2.9 | EXCELLENT | 2.96% |

**Lexmark pays a hefty dividend yield and boasts a nice Valuentum Dividend Cushion ratio, but declining revenue may inevitably pressure the pace of long-term expansion.**

## Stock Chart (weekly)




## Company Vitals

| | |
|---|---|
| Market Cap (USD) | $3,122 |
| Avg Weekly Vol (30 wks) | 4,073 |
| 30-week Range (USD) | 40.55 - 51.77 |
| Valuentum Sector | Information Technology |
| Last Fiscal Year Revenue | 3,668 |
| Last Fiscal Year EPS | 4.08 |
| Last Fiscal Year EBITDA | 596 |
| Forward Revenue Growth (5-yr) | -1.5% |
| Forward EPS Growth (5-yr) | -5.7% |

## Dividend Vitals

| | |
|---|---|
| Current Annual Dividend Yield % | 3.0% |
| Annual Dividends Per Share | 1.44 |
| Forward Dividend Payout Ratio | 35.2% |
| 3-yr Historical Dividend CAGR | NA |
| 15-yr Historical Dividend CAGR | NA |
| 3-yr Hist Median Div Payout Ratio | 29.4% |
| 15-yr Hist Median Div Payout Ratio | 0.0% |

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

## Initial Annual Income Per Investment ($)

| # of Shares | Investment ($) | Annual Div's ($) |
|---|---|---|
| 25 | 1,217.50 | 36.00 |
| 50 | 2,435.00 | 72.00 |
| 100 | 4,870.00 | 144.00 |
| 200 | 9,740.00 | 288.00 |
| 300 | 14,610.00 | 432.00 |
| 400 | 19,480.00 | 576.00 |
| 500 | 24,350.00 | 720.00 |
| 1,000 | 48,700.00 | 1,440.00 |
| 2,000 | 97,400.00 | 2,880.00 |
| 5,000 | 243,500.00 | 7,200.00 |
| 10,000 | 487,000.00 | 14,400.00 |
| 50,000 | 2,435,000.00 | 72,000.00 |
| 100,000 | 4,870,000.00 | 144,000.00 |

Initial annual income is based on the firm's current forward annual dividend yield and could be subject to change.

## Dividend Safety / Cushion — EXCELLENT / 2.9

We assess the safety of a firm's dividend by adding the company's net cash to our forecast of its free cash flows over the next five years. We then divide that sum by the total expected dividends over the next five years. This process results in our Dividend Cushion™ ratio. A Dividend Cushion™ above 1 indicates a firm can cover its future dividends with net cash on hand and future free cash flow, while a score below 1 signals trouble may be on the horizon. And by extension, the greater the score, the safer the dividend, as excess cash can be used to offset any unexpected earnings shortfall. Lexmark scores a 2.9 on our Dividend Cushion™, which is EXCELLENT.

## Dividend Growth Potential — EXCELLENT

We judge the future potential growth of the dividend by evaluating the capacity for future increases, as measured by the Dividend Cushion™, and management's willingness to consistently raise the dividend, as measured by the firm's dividend track record. Lexmark registers an EXCELLENT rating on our scale, and we think the firm's annual dividend will be $2.16 per share within the next several years.

## Risk of Capital Loss — MEDIUM

We assess the risk of capital loss based on our analysis of a firm's intrinsic value at this point in time. If the stock is undervalued (based on our DCF process), we think the risk of failing to recoup one's original capital investment (ex dividends) is relatively LOW. If the stock is fairly valued (it falls within our fair value estimate range), we think the likelihood of losing capital (ex dividends) is MEDIUM. If the stock is trading above our estimate of its intrinsic value, we think the likelihood of losing at least a portion of one's original investment (ex dividends) is HIGH. Lexmark registers a score of MEDIUM on our scale.

## Key Dividend Considerations

| | |
|---|---|
| Current Annual Dividend Yield | **2.96%** |
| Annual Dividends per Share | **$1.44** |
| Initial Annual Div's Paid, $10k Investment | **$295.69** |
| Dividend Track Record | **HEALTHY** |
| Dividend Safety | **EXCELLENT** |
| Valuentum Dividend Cushion™ | **2.9** |
| Dividend Growth Potential | **EXCELLENT** |
| Risk of Capital Loss | **MEDIUM** |
| ValueRisk™ (Equity Margin of Safety) | **LOW** |

The Valuentum Dividend Cushion is a ratio that compares the firm's excess cash and cash flow to its future dividend stream. A score above 1 indicates cash flow is sufficient to cover future dividends (higher is better).

## Dividend Strength

| Dividend Safety \ Dividend Growth | Very Poor | Poor | Good | Excellent |
|---|---|---|---|---|
| Excellent | | | | |
| Good | | | | |
| Poor | | | | |
| Very Poor | | | | |

Firms that have safe and growing dividends score at the top right of our scale.

## Dividend Track Record — HEALTHY

| Fiscal Year | Div's/Share ($) | Div Growth % | EPS ($) | Payout Ratio |
|---|---|---|---|---|
| Dec-99 | 0.00 | 0.0 | 2.32 | 0.0% |
| Dec-00 | 0.00 | 0.0 | 2.13 | 0.0% |
| Dec-01 | 0.00 | 0.0 | 2.05 | 0.0% |
| Dec-02 | 0.00 | 0.0 | 2.79 | 0.0% |
| Dec-03 | 0.00 | 0.0 | 3.34 | 0.0% |
| Dec-04 | 0.00 | 0.0 | 4.28 | 0.0% |
| Dec-05 | 0.00 | 0.0 | 2.91 | 0.0% |
| Dec-06 | 0.00 | 0.0 | 3.27 | 0.0% |
| Dec-07 | 0.00 | 0.0 | 3.14 | 0.0% |
| Dec-08 | 0.00 | 0.0 | 2.69 | 0.0% |
| Dec-09 | 0.00 | 0.0 | 1.86 | 0.0% |
| Dec-10 | 0.00 | 0.0 | 4.28 | 0.0% |
| Dec-11 | 0.25 | 0.0 | 4.12 | 6.1% |
| Dec-12 | 1.15 | 360.0 | 1.53 | 75.2% |
| Dec-13 | 1.20 | 4.3 | 4.08 | 29.4% |
| ***Dec-14*** | ***1.44*** | ***20.0*** | ***4.09*** | ***35.2%*** |
| *Dec-15* | *1.66* | *15.0* | *4.10* | *40.4%* |
| *Dec-16* | *1.85* | *12.0* | *3.74* | *49.6%* |
| *Dec-17* | *2.00* | *8.0* | *3.39* | *59.1%* |
| *Dec-18* | *2.16* | *8.0* | *3.04* | *71.1%* |

Light green shading denotes a dividend increase, while light red shading denotes a dividend decrease. Heavy green shading denotes a significant dividend increase, while heavy red shading denotes a significant dividend decrease or an excessive payout ratio. NA = Not Applicable.

To view our full 16-page equity report on Lexmark, please visit our website at www.valuentum.com



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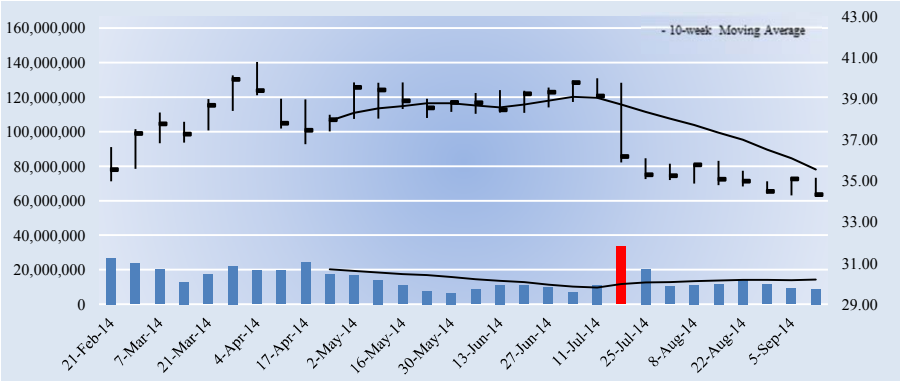
# Mattel MAT FAIRLY VALUED

**Buying Index™** 4 **Value Rating**

| Economic Castle | Stock Fair Value Range | Dividend Track Record | Dividend Safety / Cushion™ | Div Growth Potential | Dividend Yield |
|---|---|---|---|---|---|
| Attractive | $27.00 - $45.00 | HEALTHY | GOOD / 1.3 | EXCELLENT | 4.43% |

**We like Mattel's dividend growth potential, but Hasbro boasts a slightly stronger Valuentum Dividend Cushion score.**

## Stock Chart (weekly)




## Company Vitals

| | |
|---|---|
| Market Cap (USD) | $11,932 |
| Avg Weekly Vol (30 wks) | 14,927 |
| 30-week Range (USD) | 34.25 - 40.79 |
| Valuentum Sector | Consumer Discretionary |
| Last Fiscal Year Revenue | 6,485 |
| Last Fiscal Year EPS | 2.60 |
| Last Fiscal Year EBITDA | 1,364 |
| Forward Revenue Growth (5-yr) | 2.7% |
| Forward EPS Growth (5-yr) | 5.2% |

## Dividend Vitals

| | |
|---|---|
| Current Annual Dividend Yield % | 4.4% |
| Annual Dividends Per Share | 1.52 |
| Forward Dividend Payout Ratio | 69.4% |
| 3-yr Historical Dividend CAGR | 18.2% |
| 15-yr Historical Dividend CAGR | NA |
| 3-yr Hist Median Div Payout Ratio | 55.4% |
| 15-yr Hist Median Div Payout Ratio | 42.5% |

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

## Initial Annual Income Per Investment ($)

| # of Shares | Investment ($) | Annual Div's ($) |
|---|---|---|
| 25 | 858.50 | 38.00 |
| 50 | 1,717.00 | 76.00 |
| 100 | 3,434.00 | 152.00 |
| 200 | 6,868.00 | 304.00 |
| 300 | 10,302.00 | 456.00 |
| 400 | 13,736.00 | 608.00 |
| 500 | 17,170.00 | 760.00 |
| 1,000 | 34,340.00 | 1,520.00 |
| 2,000 | 68,680.00 | 3,040.00 |
| 5,000 | 171,700.00 | 7,600.00 |
| 10,000 | 343,400.00 | 15,200.00 |
| 50,000 | 1,717,000.00 | 76,000.00 |
| 100,000 | 3,434,000.00 | 152,000.00 |

Initial annual income is based on the firm's current forward annual dividend yield and could be subject to change.

## Dividend Safety / Cushion — GOOD / 1.3

We assess the safety of a firm's dividend by adding the company's net cash to our forecast of its free cash flows over the next five years. We then divide that sum by the total expected dividends over the next five years. This process results in our Dividend Cushion™ ratio. A Dividend Cushion™ above 1 indicates a firm can cover its future dividends with net cash on hand and future free cash flow, while a score below 1 signals trouble may be on the horizon. And by extension, the greater the score, the safer the dividend, as excess cash can be used to offset any unexpected earnings shortfall. Mattel scores a 1.3 on our Dividend Cushion™, which is GOOD.

## Dividend Growth Potential — EXCELLENT

We judge the future potential growth of the dividend by evaluating the capacity for future increases, as measured by the Dividend Cushion™, and management's willingness to consistently raise the dividend, as measured by the firm's dividend track record. Mattel registers an EXCELLENT rating on our scale, and we think the firm's annual dividend will be $2.23 per share within the next several years.

## Risk of Capital Loss — MEDIUM

We assess the risk of capital loss based on our analysis of a firm's intrinsic value at this point in time. If the stock is undervalued (based on our DCF process), we think the risk of failing to recoup one's original capital investment (ex dividends) is relatively LOW. If the stock is fairly valued (it falls within our fair value estimate range), we think the likelihood of losing capital (ex dividends) is MEDIUM. If the stock is trading above our estimate of its intrinsic value, we think the likelihood of losing at least a portion of one's original investment (ex dividends) is HIGH. Mattel registers a score of MEDIUM on our scale.

## Key Dividend Considerations

| | |
|---|---|
| Current Annual Dividend Yield | **4.43%** |
| Annual Dividends per Share | **$1.52** |
| Initial Annual Div's Paid, $10k Investment | **$442.63** |
| Dividend Track Record | **HEALTHY** |
| Dividend Safety | **GOOD** |
| Valuentum Dividend Cushion™ | **1.3** |
| Dividend Growth Potential | **EXCELLENT** |
| Risk of Capital Loss | **MEDIUM** |
| ValueRisk™ (Equity Margin of Safety) | **MEDIUM** |

The Valuentum Dividend Cushion is a ratio that compares the firm's excess cash and cash flow to its future dividend stream. A score above 1 indicates cash flow is sufficient to cover future dividends (higher is better).

## Dividend Strength

| Dividend Safety \ Dividend Growth | Very Poor | Poor | Good | Excellent |
|---|---|---|---|---|
| Excellent | | | | |
| Good | | | | ■ |
| Poor | | | | |
| Very Poor | | | | |

Firms that have safe and growing dividends score at the top right of our scale.

## Dividend Track Record — HEALTHY

| Fiscal Year | Div's/Share ($) | Div Growth % | EPS ($) | Payout Ratio |
|---|---|---|---|---|
| Dec-99 | NA | 0.0 | -0.21 | 0.0% |
| Dec-00 | NA | 0.0 | 0.40 | 0.0% |
| Dec-01 | NA | 0.0 | 0.71 | 0.0% |
| Dec-02 | NA | 0.0 | 1.03 | 0.0% |
| Dec-03 | 0.40 | 0.0 | 1.22 | 32.8% |
| Dec-04 | 0.45 | 12.5 | 1.35 | 33.3% |
| Dec-05 | 0.50 | 11.1 | 1.01 | 49.5% |
| Dec-06 | 0.65 | 30.0 | 1.53 | 42.5% |
| Dec-07 | 0.75 | 15.4 | 1.54 | 48.7% |
| Dec-08 | 0.75 | 0.0 | 1.05 | 71.4% |
| Dec-09 | 0.75 | 0.0 | 1.45 | 51.7% |
| Dec-10 | 0.83 | 10.7 | 1.86 | 44.6% |
| Dec-11 | 0.92 | 10.8 | 2.21 | 41.6% |
| Dec-12 | 1.24 | 34.8 | 2.24 | 55.4% |
| Dec-13 | 1.44 | 16.1 | 2.60 | 55.4% |
| ***Dec-14*** | ***1.52*** | ***5.6*** | ***2.19*** | ***69.4%*** |
| *Dec-15* | *1.67* | *10.0* | *2.57* | *65.2%* |
| *Dec-16* | *1.84* | *10.0* | *2.82* | *65.2%* |
| *Dec-17* | *2.02* | *10.0* | *3.08* | *65.6%* |
| *Dec-18* | *2.23* | *10.0* | *3.35* | *66.5%* |

Light green shading denotes a dividend increase, while light red shading denotes a dividend decrease. Heavy green shading denotes a significant dividend increase, while heavy red shading denotes a significant dividend decrease or an excessive payout ratio. NA = Not Applicable.

To view our full 16-page equity report on Mattel, please visit our website at www.valuentum.com



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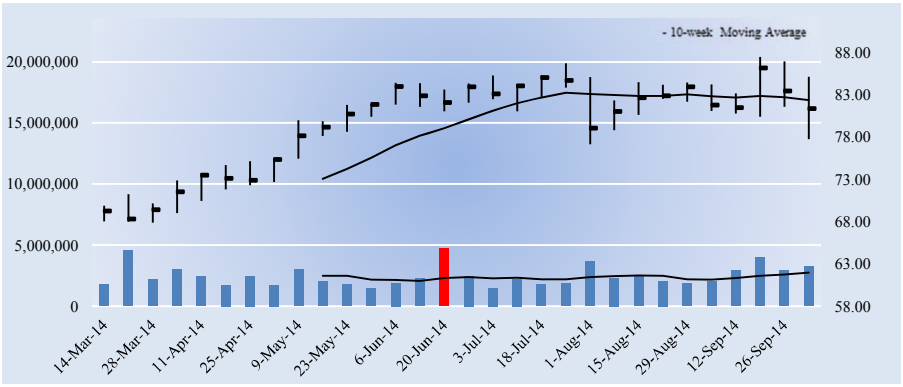
# Magellan Midstream MMP OVERVALUED 5.4%

**Buying Index™** 1 **Value Rating** ✗

| Economic Castle | Stock Fair Value Range | Dividend Track Record | Dividend Safety / Cushion™ | Div Growth Potential | Dividend Yield |
|---|---|---|---|---|---|
| Attractive | $51.00 - $77.00 | HEALTHY | GOOD / 2.5 | EXCELLENT | 3.01% |

**Our assessment of Magellan's strong dividend health is dependent on its continued access to the capital markets.**

## Stock Chart (weekly)




## Key Dividend Considerations

| | |
|---|---|
| Current Annual Dividend Yield | **3.01%** |
| Annual Dividends per Share | **$2.45** |
| Initial Annual Div's Paid, $10k Investment | **$301.13** |
| Dividend Track Record | **HEALTHY** |
| Dividend Safety | **GOOD** |
| Valuentum Dividend Cushion™ | **2.5** |
| Dividend Growth Potential | **EXCELLENT** |
| Risk of Capital Loss | **HIGH** |
| ValueRisk™ (Equity Margin of Safety) | **LOW** |

The Valuentum Dividend Cushion is a ratio that compares the firm's excess cash and cash flow to its future dividend stream. A score above 1 indicates cash flow is sufficient to cover future dividends (higher is better).

## Dividend Strength

| Dividend Safety \ Dividend Growth | Very Poor | Poor | Good | Excellent |
|---|---|---|---|---|
| Excellent | | | | |
| Good | | | | ■ |
| Poor | | | | |
| Very Poor | | | | |

Firms that have safe and growing dividends score at the top right of our scale.

## Company Vitals

| | |
|---|---|
| Market Cap (USD) | $19,400 |
| Avg Weekly Vol (30 wks) | 2,475 |
| 30-week Range (USD) | 67.87 - 87.5 |
| Valuentum Sector | Energy |
| Last Fiscal Year Revenue | 1,898 |
| Last Fiscal Year EPS | 2.56 |
| Last Fiscal Year EBITDA | 843 |
| Forward Revenue Growth (5-yr) | 7.3% |
| Forward EPS Growth (5-yr) | 7.9% |

## Dividend Vitals

| | |
|---|---|
| Current Annual Dividend Yield % | 3.0% |
| Annual Dividends Per Share | 2.45 |
| Forward Dividend Payout Ratio | 73.3% |
| 3-yr Historical Dividend CAGR | 16.2% |
| 15-yr Historical Dividend CAGR | NA |
| 3-yr Hist Median Div Payout Ratio | 85.2% |
| 15-yr Hist Median Div Payout Ratio | 48.5% |

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

## Initial Annual Income Per Investment ($)

| # of Shares | Investment ($) | Annual Div's ($) |
|---|---|---|
| 25 | 2,034.00 | 61.25 |
| 50 | 4,068.00 | 122.50 |
| 100 | 8,136.00 | 245.00 |
| 200 | 16,272.00 | 490.00 |
| 300 | 24,408.00 | 735.00 |
| 400 | 32,544.00 | 980.00 |
| 500 | 40,680.00 | 1,225.00 |
| 1,000 | 81,360.00 | 2,450.00 |
| 2,000 | 162,720.00 | 4,900.00 |
| 5,000 | 406,800.00 | 12,250.00 |
| 10,000 | 813,600.00 | 24,500.00 |
| 50,000 | 4,068,000.00 | 122,500.00 |
| 100,000 | 8,136,000.00 | 245,000.00 |

Initial annual income is based on the firm's current forward annual dividend yield and could be subject to change.

## Dividend Safety / Cushion — GOOD / 2.5

We assess the safety of a firm's dividend by adding the company's net cash to our forecast of its free cash flows over the next five years. We then divide that sum by the total expected dividends over the next five years. This process results in our Dividend Cushion™ ratio. A Dividend Cushion™ above 1 indicates a firm can cover its future dividends with net cash on hand and future free cash flow, while a score below 1 signals trouble may be on the horizon. And by extension, the greater the score, the safer the dividend, as excess cash can be used to offset any unexpected earnings shortfall. Magellan Midstream scores a 2.5 on our Dividend Cushion™, which is GOOD.

## Dividend Growth Potential — EXCELLENT

We judge the future potential growth of the dividend by evaluating the capacity for future increases, as measured by the Dividend Cushion™, and management's willingness to consistently raise the dividend, as measured by the firm's dividend track record. Magellan Midstream registers an EXCELLENT rating on our scale, and we think the firm's annual dividend will be $3.46 per share within the next several years.

## Risk of Capital Loss — HIGH

We assess the risk of capital loss based on our analysis of a firm's intrinsic value at this point in time. If the stock is undervalued (based on our DCF process), we think the risk of failing to recoup one's original capital investment (ex dividends) is relatively LOW. If the stock is fairly valued (it falls within our fair value estimate range), we think the likelihood of losing capital (ex dividends) is MEDIUM. If the stock is trading above our estimate of its intrinsic value, we think the likelihood of losing at least a portion of one's original investment (ex dividends) is HIGH. Magellan Midstream registers a score of HIGH on our scale.

## Dividend Track Record — HEALTHY

| Fiscal Year | Div's/Share ($) | Div Growth % | EPS ($) | Payout Ratio |
|---|---|---|---|---|
| NA | 0.00 | 0.0 | 0.00 | 0.0% |
| NA | 0.00 | 0.0 | 0.00 | 0.0% |
| NA | 0.00 | 0.0 | 0.00 | 0.0% |
| NA | 0.00 | 0.0 | 0.00 | 0.0% |
| Dec-03 | 0.77 | 0.0 | 1.66 | 46.1% |
| Dec-04 | 0.86 | 12.4 | 1.72 | 50.0% |
| Dec-05 | 0.99 | 14.5 | 2.03 | 48.5% |
| Dec-06 | 1.15 | 16.2 | 2.24 | 51.1% |
| Dec-07 | 1.25 | 8.7 | 2.60 | 47.9% |
| Dec-08 | 1.36 | 9.2 | 3.27 | 41.6% |
| Dec-09 | 1.42 | 4.4 | 2.22 | 64.0% |
| Dec-10 | 1.45 | 2.1 | 1.43 | 101.4% |
| Dec-11 | 1.56 | 7.6 | 1.83 | 85.2% |
| Dec-12 | 1.78 | 14.1 | 1.92 | 92.7% |
| Dec-13 | 2.10 | 18.0 | 2.56 | 82.0% |
| ***Dec-14*** | ***2.45*** | ***16.7*** | ***3.34*** | ***73.3%*** |
| *Dec-15* | *2.74* | *12.0* | *3.50* | *78.3%* |
| *Dec-16* | *3.02* | *10.0* | *3.59* | *84.1%* |
| *Dec-17* | *3.26* | *8.0* | *3.67* | *88.7%* |
| *Dec-18* | *3.46* | *6.0* | *3.75* | *92.1%* |

Light green shading denotes a dividend increase, while light red shading denotes a dividend decrease. Heavy green shading denotes a significant dividend increase, while heavy red shading denotes a significant dividend decrease or an excessive payout ratio. NA = Not Applicable.

To view our full 16-page equity report on Magellan Midstream, please visit our website at www.valuentum.com



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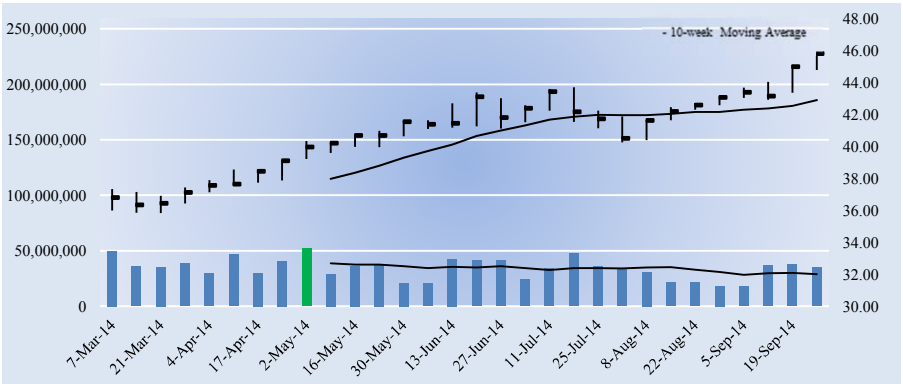
# Altria Group MO FAIRLY VALUED

**Buying Index™** 6 **Value Rating**

| Economic Castle | Stock Fair Value Range | Dividend Track Record | Dividend Safety / Cushion™ | Div Growth Potential | Dividend Yield |
|---|---|---|---|---|---|
| Very Attractive | $38.00 - $56.00 | HEALTHY | GOOD / 1.1 | GOOD | 4.19% |

## Altria's Valuentum Dividend Cushion ratio remains above 1.

### Stock Chart (weekly)




### Company Vitals

| | |
|---|---|
| Market Cap (USD) | $91,574 |
| Avg Weekly Vol (30 wks) | 34,017 |
| 30-week Range (USD) | 35.84 - 45.97 |
| Valuentum Sector | Consumer Staples |
| Last Fiscal Year Revenue | 17,663 |
| Last Fiscal Year EPS | 2.27 |
| Last Fiscal Year EBITDA | 8,296 |
| Forward Revenue Growth (5-yr) | 1.6% |
| Forward EPS Growth (5-yr) | 5.8% |

### Dividend Vitals

| | |
|---|---|
| Current Annual Dividend Yield % | 4.2% |
| Annual Dividends Per Share | 1.92 |
| Forward Dividend Payout Ratio | 73.5% |
| 3-yr Historical Dividend CAGR | 13.3% |
| 15-yr Historical Dividend CAGR | NA |
| 3-yr Hist Median Div Payout Ratio | 70.5% |
| 15-yr Hist Median Div Payout Ratio | 0.0% |

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

### Initial Annual Income Per Investment ($)

| # of Shares | Investment ($) | Annual Div's ($) |
|---|---|---|
| 25 | 1,145.25 | 48.00 |
| 50 | 2,290.50 | 96.00 |
| 100 | 4,581.00 | 192.00 |
| 200 | 9,162.00 | 384.00 |
| 300 | 13,743.00 | 576.00 |
| 400 | 18,324.00 | 768.00 |
| 500 | 22,905.00 | 960.00 |
| 1,000 | 45,810.00 | 1,920.00 |
| 2,000 | 91,620.00 | 3,840.00 |
| 5,000 | 229,050.00 | 9,600.00 |
| 10,000 | 458,100.00 | 19,200.00 |
| 50,000 | 2,290,500.00 | 96,000.00 |
| 100,000 | 4,581,000.00 | 192,000.00 |

Initial annual income is based on the firm's current forward annual dividend yield and could be subject to change.

### Dividend Safety / Cushion — GOOD / 1.1

We assess the safety of a firm's dividend by adding the company's net cash to our forecast of its free cash flows over the next five years. We then divide that sum by the total expected dividends over the next five years. This process results in our Dividend Cushion™ ratio. A Dividend Cushion™ above 1 indicates a firm can cover its future dividends with net cash on hand and future free cash flow, while a score below 1 signals trouble may be on the horizon. And by extension, the greater the score, the safer the dividend, as excess cash can be used to offset any unexpected earnings shortfall. Altria Group scores a 1.1 on our Dividend Cushion™, which is GOOD.

### Dividend Growth Potential — GOOD

We judge the future potential growth of the dividend by evaluating the capacity for future increases, as measured by the Dividend Cushion™, and management's willingness to consistently raise the dividend, as measured by the firm's dividend track record. Altria Group registers an GOOD rating on our scale, and we think the firm's annual dividend will be $2.22 per share within the next several years.

### Risk of Capital Loss — MEDIUM

We assess the risk of capital loss based on our analysis of a firm's intrinsic value at this point in time. If the stock is undervalued (based on our DCF process), we think the risk of failing to recoup one's original capital investment (ex dividends) is relatively LOW. If the stock is fairly valued (it falls within our fair value estimate range), we think the likelihood of losing capital (ex dividends) is MEDIUM. If the stock is trading above our estimate of its intrinsic value, we think the likelihood of losing at least a portion of one's original investment (ex dividends) is HIGH. Altria Group registers a score of MEDIUM on our scale.

### Key Dividend Considerations

| | |
|---|---|
| Current Annual Dividend Yield | **4.19%** |
| Annual Dividends per Share | **$1.92** |
| Initial Annual Div's Paid, $10k Investment | **$419.12** |
| Dividend Track Record | **HEALTHY** |
| Dividend Safety | **GOOD** |
| Valuentum Dividend Cushion™ | **1.1** |
| Dividend Growth Potential | **GOOD** |
| Risk of Capital Loss | **MEDIUM** |
| ValueRisk™ (Equity Margin of Safety) | **LOW** |

The Valuentum Dividend Cushion is a ratio that compares the firm's excess cash and cash flow to its future dividend stream. A score above 1 indicates cash flow is sufficient to cover future dividends (higher is better).

### Dividend Strength

| Dividend Safety \ Dividend Growth | Very Poor | Poor | Good | Excellent |
|---|---|---|---|---|
| Excellent | | | | |
| Good | | | ■ | |
| Poor | | | | |
| Very Poor | | | | |

Firms that have safe and growing dividends score at the top right of our scale.

### Dividend Track Record — HEALTHY

| Fiscal Year | Div's/Share ($) | Div Growth % | EPS ($) | Payout Ratio |
|---|---|---|---|---|
| Dec-99 | NA | 0.0 | 3.19 | 0.0% |
| Dec-00 | NA | 0.0 | 3.75 | 0.0% |
| Dec-01 | NA | 0.0 | 3.88 | 0.0% |
| Dec-02 | NA | 0.0 | 5.21 | 0.0% |
| Dec-03 | NA | 0.0 | 4.52 | 0.0% |
| Dec-04 | NA | 0.0 | 4.57 | 0.0% |
| Dec-05 | NA | 0.0 | 5.10 | 0.0% |
| Dec-06 | NA | 0.0 | 5.71 | 0.0% |
| Dec-07 | NA | 0.0 | 4.33 | 0.0% |
| Dec-08 | NA | 0.0 | 1.48 | 0.0% |
| Dec-09 | NA | 0.0 | 1.54 | 0.0% |
| Dec-10 | 1.32 | 0.0 | 1.87 | 0.0% |
| Dec-11 | 1.32 | 0.0 | 1.64 | 0.0% |
| Dec-12 | 1.46 | 10.6 | 2.07 | 70.5% |
| Dec-13 | 1.84 | 26.0 | 2.27 | 81.1% |
| ***Dec-14*** | ***1.92*** | ***4.3*** | ***2.61*** | ***73.5%*** |
| *Dec-15* | *2.02* | *5.0* | *2.76* | *73.1%* |
| *Dec-16* | *2.10* | *4.0* | *2.83* | *74.2%* |
| *Dec-17* | *2.16* | *3.0* | *2.91* | *74.2%* |
| *Dec-18* | *2.22* | *3.0* | *3.01* | *73.9%* |

Light green shading denotes a dividend increase, while light red shading denotes a dividend decrease. Heavy green shading denotes a significant dividend increase, while heavy red shading denotes a significant dividend decrease or an excessive payout ratio. NA = Not Applicable.

To view our full 16-page equity report on Altria Group, please visit our website at www.valuentum.com



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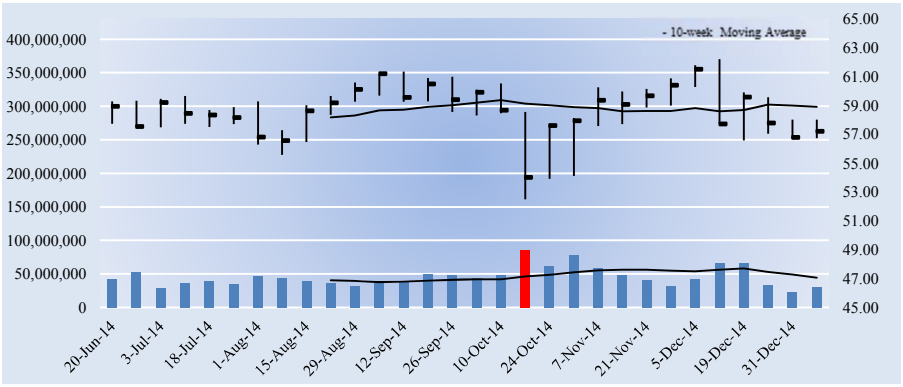
# Merck MRK FAIRLY VALUED

**Buying Index™** 4 **Value Rating**

| Economic Castle | Stock Fair Value Range | Dividend Track Record | Dividend Safety / Cushion™ | Div Growth Potential | Dividend Yield |
|---|---|---|---|---|---|
| Attractive | $42.00 - $64.00 | HEALTHY | GOOD / 2.2 | GOOD | 3.15% |

## Merck's dividend growth is back!

### Stock Chart (weekly)




### Key Dividend Considerations

| | |
|---|---|
| Current Annual Dividend Yield | **3.15%** |
| Annual Dividends per Share | **$1.80** |
| Initial Annual Div's Paid, $10k Investment | **$314.74** |
| Dividend Track Record | **HEALTHY** |
| Dividend Safety | **GOOD** |
| Valuentum Dividend Cushion™ | **2.2** |
| Dividend Growth Potential | **GOOD** |
| Risk of Capital Loss | **MEDIUM** |
| ValueRisk™ (Equity Margin of Safety) | **LOW** |

The Valuentum Dividend Cushion is a ratio that compares the firm's excess cash and cash flow to its future dividend stream. A score above 1 indicates cash flow is sufficient to cover future dividends (higher is better).

### Dividend Strength

| Dividend Safety \ Dividend Growth | Very Poor | Poor | Good | Excellent |
|---|---|---|---|---|
| Excellent | | | | |
| Good | | | ■ | |
| Poor | | | | |
| Very Poor | | | | |

Firms that have safe and growing dividends score at the top right of our scale.

### Company Vitals

| | |
|---|---|
| Market Cap (USD) | $171,341 |
| Avg Weekly Vol (30 wks) | 45,793 |
| 30-week Range (USD) | 52.49 - 62.2 |
| Valuentum Sector | Health Care |
| Last Fiscal Year Revenue | 44,033 |
| Last Fiscal Year EPS | 1.47 |
| Last Fiscal Year EBITDA | 10,303 |
| Forward Revenue Growth (5-yr) | -1.0% |
| Forward EPS Growth (5-yr) | 24.0% |

### Dividend Vitals

| | |
|---|---|
| Current Annual Dividend Yield % | 3.1% |
| Annual Dividends Per Share | 1.80 |
| Forward Dividend Payout Ratio | 51.1% |
| 3-yr Historical Dividend CAGR | 4.9% |
| 15-yr Historical Dividend CAGR | 3.3% |
| 3-yr Hist Median Div Payout Ratio | 84.1% |
| 15-yr Hist Median Div Payout Ratio | 57.1% |

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

### Initial Annual Income Per Investment ($)

| # of Shares | Investment ($) | Annual Div's ($) |
|---|---|---|
| 25 | 1,429.75 | 45.00 |
| 50 | 2,859.50 | 90.00 |
| 100 | 5,719.00 | 180.00 |
| 200 | 11,438.00 | 360.00 |
| 300 | 17,157.00 | 540.00 |
| 400 | 22,876.00 | 720.00 |
| 500 | 28,595.00 | 900.00 |
| 1,000 | 57,190.00 | 1,800.00 |
| 2,000 | 114,380.00 | 3,600.00 |
| 5,000 | 285,950.00 | 9,000.00 |
| 10,000 | 571,900.00 | 18,000.00 |
| 50,000 | 2,859,500.00 | 90,000.00 |
| 100,000 | 5,719,000.00 | 180,000.00 |

Initial annual income is based on the firm's current forward annual dividend yield and could be subject to change.

### Dividend Safety / Cushion — GOOD / 2.2

We assess the safety of a firm's dividend by adding the company's net cash to our forecast of its free cash flows over the next five years. We then divide that sum by the total expected dividends over the next five years. This process results in our Dividend Cushion™ ratio. A Dividend Cushion™ above 1 indicates a firm can cover its future dividends with net cash on hand and future free cash flow, while a score below 1 signals trouble may be on the horizon. And by extension, the greater the score, the safer the dividend, as excess cash can be used to offset any unexpected earnings shortfall. Merck scores a 2.2 on our Dividend Cushion™, which is GOOD.

### Dividend Growth Potential — GOOD

We judge the future potential growth of the dividend by evaluating the capacity for future increases, as measured by the Dividend Cushion™, and management's willingness to consistently raise the dividend, as measured by the firm's dividend track record. Merck registers an GOOD rating on our scale, and we think the firm's annual dividend will be $2.08 per share within the next several years.

### Risk of Capital Loss — MEDIUM

We assess the risk of capital loss based on our analysis of a firm's intrinsic value at this point in time. If the stock is undervalued (based on our DCF process), we think the risk of failing to recoup one's original capital investment (ex dividends) is relatively LOW. If the stock is fairly valued (it falls within our fair value estimate range), we think the likelihood of losing capital (ex dividends) is MEDIUM. If the stock is trading above our estimate of its intrinsic value, we think the likelihood of losing at least a portion of one's original investment (ex dividends) is HIGH. Merck registers a score of MEDIUM on our scale.

### Dividend Track Record — HEALTHY

| Fiscal Year | Div's/Share ($) | Div Growth % | EPS ($) | Payout Ratio |
|---|---|---|---|---|
| Dec-99 | 1.10 | 0.0 | 2.45 | 44.9% |
| Dec-00 | 1.21 | 10.0 | 2.90 | 41.7% |
| Dec-01 | 1.37 | 13.2 | 3.14 | 43.6% |
| Dec-02 | 1.41 | 2.9 | 3.14 | 44.9% |
| Dec-03 | 1.45 | 2.8 | 2.92 | 49.7% |
| Dec-04 | 1.49 | 2.8 | 2.61 | 57.1% |
| Dec-05 | 1.52 | 2.0 | 2.10 | 72.4% |
| Dec-06 | 1.52 | 0.0 | 2.03 | 74.9% |
| Dec-07 | 1.52 | 0.0 | 1.49 | 102.0% |
| Dec-08 | 1.52 | 0.0 | 3.64 | 41.8% |
| Dec-09 | 1.52 | 0.0 | 5.65 | 26.9% |
| Dec-10 | 1.52 | 0.0 | 0.28 | 542.9% |
| Dec-11 | 1.56 | 2.6 | 2.02 | 77.2% |
| Dec-12 | 1.69 | 8.3 | 2.01 | 84.1% |
| Dec-13 | 1.73 | 2.4 | 1.47 | 117.7% |
| ***Dec-14*** | ***1.80*** | ***4.0*** | ***3.52*** | ***51.1%*** |
| *Dec-15* | *1.84* | *2.0* | *3.58* | *51.4%* |
| *Dec-16* | *1.89* | *3.0* | *3.73* | *50.7%* |
| *Dec-17* | *1.99* | *5.0* | *3.97* | *50.0%* |
| *Dec-18* | *2.08* | *5.0* | *4.31* | *48.3%* |

Light green shading denotes a dividend increase, while light red shading denotes a dividend decrease. Heavy green shading denotes a significant dividend increase, while heavy red shading denotes a significant dividend decrease or an excessive payout ratio. NA = Not Applicable.

To view our full 16-page equity report on Merck, please visit our website at www.valuentum.com



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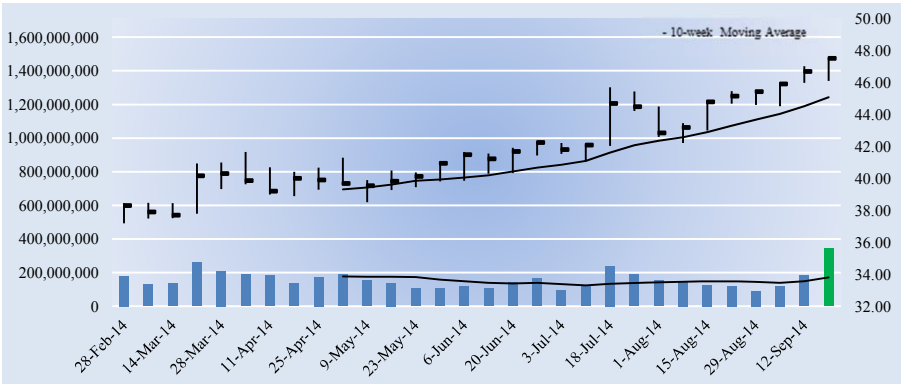
# Microsoft MSFT FAIRLY VALUED

**Buying Index™** 7 **Value Rating**

| Economic Castle | Stock Fair Value Range | Dividend Track Record | Dividend Safety / Cushion™ | Div Growth Potential | Dividend Yield |
|---|---|---|---|---|---|
| Very Attractive | $46.00 - $70.00 | HEALTHY | EXCELLENT / 3.3 | EXCELLENT | 2.61% |

**The growth potential and safety of Microsoft's dividend are attractive, and the size of its yield makes the firm worth considering as a potential income play.**

## Stock Chart (weekly)




## Key Dividend Considerations

| | |
|---|---|
| Current Annual Dividend Yield | **2.61%** |
| Annual Dividends per Share | **$1.24** |
| Initial Annual Div's Paid, $10k Investment | **$260.94** |
| Dividend Track Record | **HEALTHY** |
| Dividend Safety | **EXCELLENT** |
| Valuentum Dividend Cushion™ | **3.3** |
| Dividend Growth Potential | **EXCELLENT** |
| Risk of Capital Loss | **MEDIUM** |
| ValueRisk™ (Equity Margin of Safety) | **LOW** |

The Valuentum Dividend Cushion is a ratio that compares the firm's excess cash and cash flow to its future dividend stream. A score above 1 indicates cash flow is sufficient to cover future dividends (higher is better).

## Dividend Strength

| Dividend Safety \ Dividend Growth | Very Poor | Poor | Good | Excellent |
|---|---|---|---|---|
| Excellent | | | | |
| Good | | | | |
| Poor | | | | |
| Very Poor | | | | |

Firms that have safe and growing dividends score at the top right of our scale.

## Company Vitals

| | |
|---|---|
| Market Cap (USD) | $399,120 |
| Avg Weekly Vol (30 wks) | 157,419 |
| 30-week Range (USD) | 37.19 - 47.57 |
| Valuentum Sector | Information Technology |
| Last Fiscal Year Revenue | 86,833 |
| Last Fiscal Year EPS | 2.63 |
| Last Fiscal Year EBITDA | 33,098 |
| Forward Revenue Growth (5-yr) | 7.6% |
| Forward EPS Growth (5-yr) | 11.6% |

## Dividend Vitals

| | |
|---|---|
| Current Annual Dividend Yield % | 2.6% |
| Annual Dividends Per Share | 1.24 |
| Forward Dividend Payout Ratio | 45.1% |
| 3-yr Historical Dividend CAGR | 17.7% |
| 15-yr Historical Dividend CAGR | NA |
| 3-yr Hist Median Div Payout Ratio | 38.0% |
| 15-yr Hist Median Div Payout Ratio | 24.8% |

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

## Initial Annual Income Per Investment ($)

| # of Shares | Investment ($) | Annual Div's ($) |
|---|---|---|
| 25 | 1,188.00 | 31.00 |
| 50 | 2,376.00 | 62.00 |
| 100 | 4,752.00 | 124.00 |
| 200 | 9,504.00 | 248.00 |
| 300 | 14,256.00 | 372.00 |
| 400 | 19,008.00 | 496.00 |
| 500 | 23,760.00 | 620.00 |
| 1,000 | 47,520.00 | 1,240.00 |
| 2,000 | 95,040.00 | 2,480.00 |
| 5,000 | 237,600.00 | 6,200.00 |
| 10,000 | 475,200.00 | 12,400.00 |
| 50,000 | 2,376,000.00 | 62,000.00 |
| 100,000 | 4,752,000.00 | 124,000.00 |

Initial annual income is based on the firm's current forward annual dividend yield and could be subject to change.

## Dividend Safety / Cushion — EXCELLENT / 3.3

We assess the safety of a firm's dividend by adding the company's net cash to our forecast of its free cash flows over the next five years. We then divide that sum by the total expected dividends over the next five years. This process results in our Dividend Cushion™ ratio. A Dividend Cushion™ above 1 indicates a firm can cover its future dividends with net cash on hand and future free cash flow, while a score below 1 signals trouble may be on the horizon. And by extension, the greater the score, the safer the dividend, as excess cash can be used to offset any unexpected earnings shortfall. Microsoft scores a 3.3 on our Dividend Cushion™, which is EXCELLENT.

## Dividend Growth Potential — EXCELLENT

We judge the future potential growth of the dividend by evaluating the capacity for future increases, as measured by the Dividend Cushion™, and management's willingness to consistently raise the dividend, as measured by the firm's dividend track record. Microsoft registers an EXCELLENT rating on our scale, and we think the firm's annual dividend will be $2.06 per share within the next several years.

## Risk of Capital Loss — MEDIUM

We assess the risk of capital loss based on our analysis of a firm's intrinsic value at this point in time. If the stock is undervalued (based on our DCF process), we think the risk of failing to recoup one's original capital investment (ex dividends) is relatively LOW. If the stock is fairly valued (it falls within our fair value estimate range), we think the likelihood of losing capital (ex dividends) is MEDIUM. If the stock is trading above our estimate of its intrinsic value, we think the likelihood of losing at least a portion of one's original investment (ex dividends) is HIGH. Microsoft registers a score of MEDIUM on our scale.

## Dividend Track Record — HEALTHY

| Fiscal Year | Div's/Share ($) | Div Growth % | EPS ($) | Payout Ratio |
|---|---|---|---|---|
| Jun-00 | 0.00 | 0.0 | 0.85 | 0.0% |
| Jun-01 | 0.00 | 0.0 | 0.69 | 0.0% |
| Jun-02 | 0.00 | 0.0 | 0.71 | 0.0% |
| Jun-03 | 0.08 | 0.0 | 0.92 | 8.7% |
| Jun-04 | 0.16 | 100.0 | 0.75 | 21.3% |
| Jun-05 | 0.34 | 112.5 | 1.12 | 30.4% |
| Jun-06 | 0.34 | 0.0 | 1.20 | 28.3% |
| Jun-07 | 0.39 | 14.7 | 1.42 | 27.5% |
| Jun-08 | 0.43 | 10.3 | 1.87 | 23.0% |
| Jun-09 | 0.50 | 16.3 | 1.62 | 30.9% |
| Jun-10 | 0.52 | 4.0 | 2.10 | 24.8% |
| Jun-11 | 0.61 | 17.3 | 2.69 | 22.7% |
| Jun-12 | 0.76 | 24.6 | 2.00 | 38.0% |
| Jun-13 | 0.89 | 17.1 | 2.58 | 34.5% |
| Jun-14 | 1.07 | 20.2 | 2.63 | 40.7% |
| ***Jun-15*** | ***1.24*** | ***15.9*** | ***2.75*** | ***45.1%*** |
| *Jun-16* | *1.43* | *15.0* | *3.23* | *44.1%* |
| *Jun-17* | *1.64* | *15.0* | *3.67* | *44.6%* |
| *Jun-18* | *1.84* | *12.0* | *4.12* | *44.6%* |
| *Jun-19* | *2.06* | *12.0* | *4.55* | *45.2%* |

Light green shading denotes a dividend increase, while light red shading denotes a dividend decrease. Heavy green shading denotes a significant dividend increase, while heavy red shading denotes a significant dividend decrease or an excessive payout ratio. NA = Not Applicable.

To view our full 16-page equity report on Microsoft, please visit our website at www.valuentum.com



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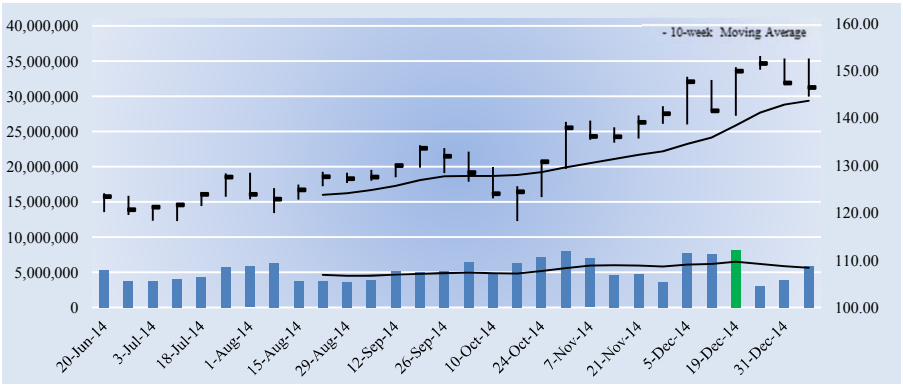
# Northrop Grumman NOC FAIRLY VALUED

**Buying Index™** 6 **Value Rating**

| Economic Castle | Stock Fair Value Range | Dividend Track Record | Dividend Safety / Cushion™ | Div Growth Potential | Dividend Yield |
|---|---|---|---|---|---|
| Highest Rated | $110.00 - $164.00 | HEALTHY | EXCELLENT / 2.8 | EXCELLENT | 1.91% |

**As with many of its defense peers, Northrop Grumman has a very nice dividend growth profile.**

## Stock Chart (weekly)




## Company Vitals

| | |
|---|---|
| Market Cap (USD) | $34,257 |
| Avg Weekly Vol (30 wks) | 5,307 |
| 30-week Range (USD) | 118.23 - 153.19 |
| Valuentum Sector | Industrials |
| Last Fiscal Year Revenue | 24,661 |
| Last Fiscal Year EPS | 8.35 |
| Last Fiscal Year EBITDA | 3,618 |
| Forward Revenue Growth (5-yr) | -0.1% |
| Forward EPS Growth (5-yr) | 6.4% |

## Dividend Vitals

| | |
|---|---|
| Current Annual Dividend Yield % | 1.9% |
| Annual Dividends Per Share | 2.80 |
| Forward Dividend Payout Ratio | 29.2% |
| 3-yr Historical Dividend CAGR | 12.4% |
| 15-yr Historical Dividend CAGR | 8.7% |
| 3-yr Hist Median Div Payout Ratio | 27.5% |
| 15-yr Hist Median Div Payout Ratio | 27.5% |

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

## Initial Annual Income Per Investment ($)

| # of Shares | Investment ($) | Annual Div's ($) |
|---|---|---|
| 25 | 3,661.50 | 70.00 |
| 50 | 7,323.00 | 140.00 |
| 100 | 14,646.00 | 280.00 |
| 200 | 29,292.00 | 560.00 |
| 300 | 43,938.00 | 840.00 |
| 400 | 58,584.00 | 1,120.00 |
| 500 | 73,230.00 | 1,400.00 |
| 1,000 | 146,460.00 | 2,800.00 |
| 2,000 | 292,920.00 | 5,600.00 |
| 5,000 | 732,300.00 | 14,000.00 |
| 10,000 | 1,464,600.00 | 28,000.00 |
| 50,000 | 7,323,000.00 | 140,000.00 |
| 100,000 | 14,646,000 | 280,000.00 |

Initial annual income is based on the firm's current forward annual dividend yield and could be subject to change.

## Dividend Safety / Cushion — EXCELLENT / 2.8

We assess the safety of a firm's dividend by adding the company's net cash to our forecast of its free cash flows over the next five years. We then divide that sum by the total expected dividends over the next five years. This process results in our Dividend Cushion™ ratio. A Dividend Cushion™ above 1 indicates a firm can cover its future dividends with net cash on hand and future free cash flow, while a score below 1 signals trouble may be on the horizon. And by extension, the greater the score, the safer the dividend, as excess cash can be used to offset any unexpected earnings shortfall. Northrop Grumman scores a 2.8 on our Dividend Cushion™, which is EXCELLENT.

## Dividend Growth Potential — EXCELLENT

We judge the future potential growth of the dividend by evaluating the capacity for future increases, as measured by the Dividend Cushion™, and management's willingness to consistently raise the dividend, as measured by the firm's dividend track record. Northrop Grumman registers an EXCELLENT rating on our scale, and we think the firm's annual dividend will be $4.02 per share within the next several years.

## Risk of Capital Loss — MEDIUM

We assess the risk of capital loss based on our analysis of a firm's intrinsic value at this point in time. If the stock is undervalued (based on our DCF process), we think the risk of failing to recoup one's original capital investment (ex dividends) is relatively LOW. If the stock is fairly valued (it falls within our fair value estimate range), we think the likelihood of losing capital (ex dividends) is MEDIUM. If the stock is trading above our estimate of its intrinsic value, we think the likelihood of losing at least a portion of one's original investment (ex dividends) is HIGH. Northrop Grumman registers a score of MEDIUM on our scale.

## Key Dividend Considerations

| | |
|---|---|
| Current Annual Dividend Yield | **1.91%** |
| Annual Dividends per Share | **$2.80** |
| Initial Annual Div's Paid, $10k Investment | **$191.18** |
| Dividend Track Record | **HEALTHY** |
| Dividend Safety | **EXCELLENT** |
| Valuentum Dividend Cushion™ | **2.8** |
| Dividend Growth Potential | **EXCELLENT** |
| Risk of Capital Loss | **MEDIUM** |
| ValueRisk™ (Equity Margin of Safety) | **LOW** |

The Valuentum Dividend Cushion is a ratio that compares the firm's excess cash and cash flow to its future dividend stream. A score above 1 indicates cash flow is sufficient to cover future dividends (higher is better).

## Dividend Strength

| Dividend Safety \ Dividend Growth | Very Poor | Poor | Good | Excellent |
|---|---|---|---|---|
| Excellent | | | | |
| Good | | | | |
| Poor | | | | |
| Very Poor | | | | |

Firms that have safe and growing dividends score at the top right of our scale.

## Dividend Track Record — HEALTHY

| Fiscal Year | Div's/Share ($) | Div Growth % | EPS ($) | Payout Ratio |
|---|---|---|---|---|
| Dec-99 | 0.80 | 0.0 | 3.47 | 23.1% |
| Dec-00 | 0.80 | 0.0 | 4.41 | 18.1% |
| Dec-01 | 0.80 | 0.0 | 2.40 | 33.3% |
| Dec-02 | 0.80 | 0.0 | 2.86 | 28.0% |
| Dec-03 | 0.80 | 0.0 | 2.16 | 37.0% |
| Dec-04 | 0.89 | 11.3 | 3.06 | 29.1% |
| Dec-05 | 1.01 | 13.5 | 3.81 | 26.5% |
| Dec-06 | 1.16 | 14.9 | 4.44 | 26.1% |
| Dec-07 | 1.57 | 35.3 | 5.16 | 30.4% |
| Dec-08 | 1.57 | 0.0 | -3.83 | -41.0% |
| Dec-09 | 1.69 | 7.6 | 4.87 | 34.7% |
| Dec-10 | 1.84 | 8.9 | 6.77 | 27.2% |
| Dec-11 | 1.97 | 7.1 | 7.41 | 26.6% |
| Dec-12 | 2.15 | 9.1 | 7.81 | 27.5% |
| Dec-13 | 2.38 | 10.7 | 8.35 | 28.5% |
| ***Dec-14*** | ***2.80*** | ***17.6*** | ***9.58*** | ***29.2%*** |
| *Dec-15* | *3.14* | *12.0* | *9.15* | *34.3%* |
| *Dec-16* | *3.45* | *10.0* | *9.72* | *35.5%* |
| *Dec-17* | *3.73* | *8.0* | *10.46* | *35.6%* |
| *Dec-18* | *4.02* | *8.0* | *11.41* | *35.3%* |

Light green shading denotes a dividend increase, while light red shading denotes a dividend decrease. Heavy green shading denotes a significant dividend increase, while heavy red shading denotes a significant dividend decrease or an excessive payout ratio. NA = Not Applicable.

To view our full 16-page equity report on Northrop Grumman, please visit our website at www.valuentum.com



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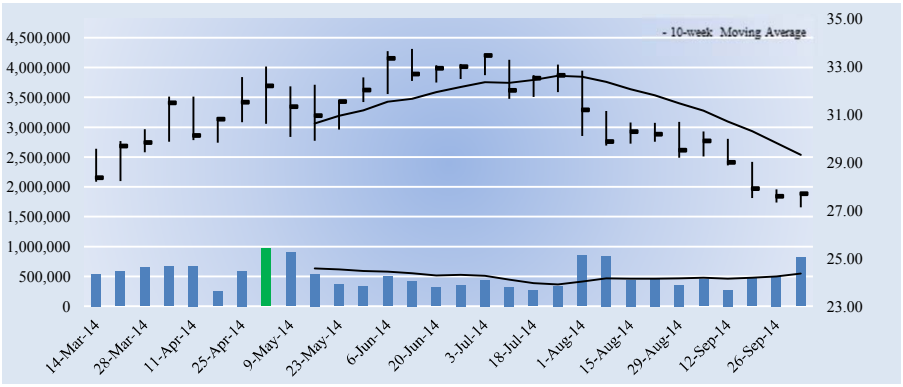
# Insperity NSP FAIRLY VALUED

Buying Index™ 3 Value Rating

| Economic Castle | Stock Fair Value Range | Dividend Track Record | Dividend Safety / Cushion™ | Div Growth Potential | Dividend Yield |
|---|---|---|---|---|---|
| Neutral | $26.00 - $40.00 | HEALTHY | EXCELLENT / 4.5 | EXCELLENT | 2.74% |

**Insperity's special dividend in 2012 will make future comparisons difficult, but we like its dividend growth prospects from here.**

## Stock Chart (weekly)




## Company Vitals

| | |
|---|---|
| Market Cap (USD) | $689 |
| Avg Weekly Vol (30 wks) | 516 |
| 30-week Range (USD) | 27.13 - 33.74 |
| Valuentum Sector | Information Technology |
| Last Fiscal Year Revenue | 2,256 |
| Last Fiscal Year EPS | 1.29 |
| Last Fiscal Year EBITDA | 83 |
| Forward Revenue Growth (5-yr) | 6.9% |
| Forward EPS Growth (5-yr) | 5.5% |

## Dividend Vitals

| | |
|---|---|
| Current Annual Dividend Yield % | 2.7% |
| Annual Dividends Per Share | 0.76 |
| Forward Dividend Payout Ratio | 74.5% |
| 3-yr Historical Dividend CAGR | 8.2% |
| 15-yr Historical Dividend CAGR | NA |
| 3-yr Hist Median Div Payout Ratio | 54.4% |
| 15-yr Hist Median Div Payout Ratio | 0.0% |

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

## Initial Annual Income Per Investment ($)

| # of Shares | Investment ($) | Annual Div's ($) |
|---|---|---|
| 25 | 692.50 | 19.00 |
| 50 | 1,385.00 | 38.00 |
| 100 | 2,770.00 | 76.00 |
| 200 | 5,540.00 | 152.00 |
| 300 | 8,310.00 | 228.00 |
| 400 | 11,080.00 | 304.00 |
| 500 | 13,850.00 | 380.00 |
| 1,000 | 27,700.00 | 760.00 |
| 2,000 | 55,400.00 | 1,520.00 |
| 5,000 | 138,500.00 | 3,800.00 |
| 10,000 | 277,000.00 | 7,600.00 |
| 50,000 | 1,385,000.00 | 38,000.00 |
| 100,000 | 2,770,000.00 | 76,000.00 |

Initial annual income is based on the firm's current forward annual dividend yield and could be subject to change.

## Dividend Safety / Cushion — EXCELLENT / 4.5

We assess the safety of a firm's dividend by adding the company's net cash to our forecast of its free cash flows over the next five years. We then divide that sum by the total expected dividends over the next five years. This process results in our Dividend Cushion™ ratio. A Dividend Cushion™ above 1 indicates a firm can cover its future dividends with net cash on hand and future free cash flow, while a score below 1 signals trouble may be on the horizon. And by extension, the greater the score, the safer the dividend, as excess cash can be used to offset any unexpected earnings shortfall. Insperity scores a 4.5 on our Dividend Cushion™, which is EXCELLENT.

## Dividend Growth Potential — EXCELLENT

We judge the future potential growth of the dividend by evaluating the capacity for future increases, as measured by the Dividend Cushion™, and management's willingness to consistently raise the dividend, as measured by the firm's dividend track record. Insperity registers an EXCELLENT rating on our scale, and we think the firm's annual dividend will be $1.16 per share within the next several years.

## Risk of Capital Loss — MEDIUM

We assess the risk of capital loss based on our analysis of a firm's intrinsic value at this point in time. If the stock is undervalued (based on our DCF process), we think the risk of failing to recoup one's original capital investment (ex dividends) is relatively LOW. If the stock is fairly valued (it falls within our fair value estimate range), we think the likelihood of losing capital (ex dividends) is MEDIUM. If the stock is trading above our estimate of its intrinsic value, we think the likelihood of losing at least a portion of one's original investment (ex dividends) is HIGH. Insperity registers a score of MEDIUM on our scale.

## Key Dividend Considerations

| | |
|---|---|
| Current Annual Dividend Yield | 2.74% |
| Annual Dividends per Share | $0.76 |
| Initial Annual Div's Paid, $10k Investment | $274.37 |
| Dividend Track Record | HEALTHY |
| Dividend Safety | EXCELLENT |
| Valuentum Dividend Cushion™ | 4.5 |
| Dividend Growth Potential | EXCELLENT |
| Risk of Capital Loss | MEDIUM |
| ValueRisk™ (Equity Margin of Safety) | LOW |

The Valuentum Dividend Cushion is a ratio that compares the firm's excess cash and cash flow to its future dividend stream. A score above 1 indicates cash flow is sufficient to cover future dividends (higher is better).

## Dividend Strength

| Dividend Safety \ Dividend Growth | Very Poor | Poor | Good | Excellent |
|---|---|---|---|---|
| Excellent | | | | |
| Good | | | | |
| Poor | | | | |
| Very Poor | | | | |

Firms that have safe and growing dividends score at the top right of our scale.

## Dividend Track Record — HEALTHY

| Fiscal Year | Div's/Share ($) | Div Growth % | EPS ($) | Payout Ratio |
|---|---|---|---|---|
| NA | 0.00 | 0.0 | 0.00 | 0.0% |
| NA | 0.00 | 0.0 | 0.00 | 0.0% |
| NA | 0.00 | 0.0 | 0.00 | 0.0% |
| NA | 0.00 | 0.0 | 0.00 | 0.0% |
| NA | 0.00 | 0.0 | 0.00 | 0.0% |
| NA | 0.00 | 0.0 | 0.00 | 0.0% |
| NA | 0.00 | 0.0 | 0.00 | 0.0% |
| NA | 0.00 | 0.0 | 0.00 | 0.0% |
| NA | 0.00 | 0.0 | 0.00 | 0.0% |
| NA | 0.00 | 0.0 | 0.00 | 0.0% |
| NA | 0.52 | 0.0 | 0.66 | 0.0% |
| NA | 0.52 | 0.0 | 0.86 | 0.0% |
| Dec-11 | 0.60 | 15.4 | 1.16 | 51.7% |
| Dec-12 | 1.66 | 176.7 | 1.56 | 106.4% |
| Dec-13 | 0.68 | -59.0 | 1.25 | 54.4% |
| ***Dec-14*** | ***0.76*** | ***11.8*** | ***1.02*** | ***74.5%*** |
| *Dec-15* | *0.85* | *12.0* | *1.38* | *61.5%* |
| *Dec-16* | *0.95* | *12.0* | *1.51* | *63.2%* |
| *Dec-17* | *1.06* | *11.0* | *1.61* | *65.7%* |
| *Dec-18* | *1.16* | *10.0* | *1.68* | *69.2%* |

Light green shading denotes a dividend increase, while light red shading denotes a dividend decrease. Heavy green shading denotes a significant dividend increase, while heavy red shading denotes a significant dividend decrease or an excessive payout ratio. NA = Not Applicable.

To view our full 16-page equity report on Insperity, please visit our website at www.valuentum.com



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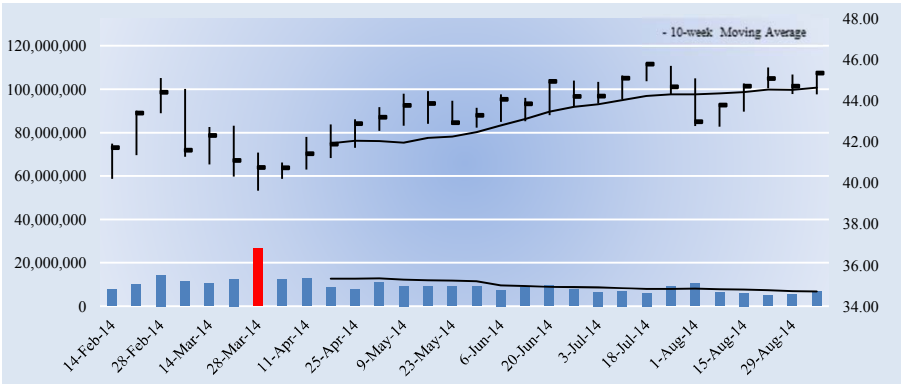
# Realty Income Corp O UNDERVALUED 5.8%

**Buying Index™** 7 **Value Rating** ✓

| Economic Castle | Stock Fair Value Range | Dividend Track Record | Dividend Safety / Cushion™ | Div Growth Potential | Dividend Yield |
|---|---|---|---|---|---|
| Neutral | $48.00 - $72.00 | HEALTHY | GOOD / 1.9 | EXCELLENT | 4.84% |

**Realty Income has a 40+ year track record of providing dependable monthly income.**

## Stock Chart (weekly)




## Key Dividend Considerations

| | |
|---|---|
| Current Annual Dividend Yield | **4.84%** |
| Annual Dividends per Share | **$2.20** |
| Initial Annual Div's Paid, $10k Investment | **$484.50** |
| Dividend Track Record | **HEALTHY** |
| Dividend Safety | **GOOD** |
| Valuentum Dividend Cushion™ | **1.9** |
| Dividend Growth Potential | **EXCELLENT** |
| Risk of Capital Loss | **LOW** |
| ValueRisk™ (Equity Margin of Safety) | **LOW** |

The Valuentum Dividend Cushion is a ratio that compares the firm's excess cash and cash flow to its future dividend stream. A score above 1 indicates cash flow is sufficient to cover future dividends (higher is better).

## Dividend Strength

| Dividend Safety \ Dividend Growth | Very Poor | Poor | Good | Excellent |
|---|---|---|---|---|
| Excellent | | | | |
| Good | | | | ■ |
| Poor | | | | |
| Very Poor | | | | |

Firms that have safe and growing dividends score at the top right of our scale.

## Company Vitals

| | |
|---|---|
| Market Cap (USD) | $8,697 |
| Avg Weekly Vol (30 wks) | 9,440 |
| 30-week Range (USD) | 39.62 - 45.84 |
| Valuentum Sector | Financials |
| Last Fiscal Year Revenue | 778 |
| Last Fiscal Year EPS | 1.06 |
| Last Fiscal Year EBITDA | 669 |
| Forward Revenue Growth (5-yr) | 10.5% |
| Forward EPS Growth (5-yr) | 21.6% |

## Dividend Vitals

| | |
|---|---|
| Current Annual Dividend Yield % | 4.8% |
| Annual Dividends Per Share | 2.20 |
| Forward Dividend Payout Ratio | 88.8% |
| 3-yr Historical Dividend CAGR | 8.1% |
| 15-yr Historical Dividend CAGR | 5.1% |
| 3-yr Hist Median Div Payout Ratio | 234.2% |
| 15-yr Hist Median Div Payout Ratio | 137.1% |

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

## Initial Annual Income Per Investment ($)

| # of Shares | Investment ($) | Annual Div's ($) |
|---|---|---|
| 25 | 1,133.75 | 54.93 |
| 50 | 2,267.50 | 109.86 |
| 100 | 4,535.00 | 219.72 |
| 200 | 9,070.00 | 439.44 |
| 300 | 13,605.00 | 659.16 |
| 400 | 18,140.00 | 878.88 |
| 500 | 22,675.00 | 1,098.60 |
| 1,000 | 45,350.00 | 2,197.20 |
| 2,000 | 90,700.00 | 4,394.40 |
| 5,000 | 226,750.00 | 10,986.00 |
| 10,000 | 453,500.00 | 21,972.00 |
| 50,000 | 2,267,500.00 | 109,860.00 |
| 100,000 | 4,535,000.00 | 219,720.00 |

Initial annual income is based on the firm's current forward annual dividend yield and could be subject to change.

## Dividend Safety / Cushion — GOOD / 1.9

We assess the safety of a firm's dividend by adding the company's net cash to our forecast of its free cash flows over the next five years. We then divide that sum by the total expected dividends over the next five years. This process results in our Dividend Cushion™ ratio. A Dividend Cushion™ above 1 indicates a firm can cover its future dividends with net cash on hand and future free cash flow, while a score below 1 signals trouble may be on the horizon. And by extension, the greater the score, the safer the dividend, as excess cash can be used to offset any unexpected earnings shortfall. Realty Income Corp scores a 1.9 on our Dividend Cushion™, which is GOOD.

## Dividend Growth Potential — EXCELLENT

We judge the future potential growth of the dividend by evaluating the capacity for future increases, as measured by the Dividend Cushion™, and management's willingness to consistently raise the dividend, as measured by the firm's dividend track record. Realty Income Corp registers an EXCELLENT rating on our scale, and we think the firm's annual dividend will be $2.57 per share within the next several years.

## Risk of Capital Loss — LOW

We assess the risk of capital loss based on our analysis of a firm's intrinsic value at this point in time. If the stock is undervalued (based on our DCF process), we think the risk of failing to recoup one's original capital investment (ex dividends) is relatively LOW. If the stock is fairly valued (it falls within our fair value estimate range), we think the likelihood of losing capital (ex dividends) is MEDIUM. If the stock is trading above our estimate of its intrinsic value, we think the likelihood of losing at least a portion of one's original investment (ex dividends) is HIGH. Realty Income Corp registers a score of LOW on our scale.

## Dividend Track Record — HEALTHY

| Fiscal Year | Div's/Share ($) | Div Growth % | EPS ($) | Payout Ratio |
|---|---|---|---|---|
| Dec-99 | 1.04 | 0.0 | 0.77 | 135.1% |
| Dec-00 | 1.09 | 4.8 | 0.85 | 128.2% |
| Dec-01 | 1.12 | 2.8 | 0.99 | 113.1% |
| Dec-02 | 1.15 | 2.7 | 0.93 | 123.7% |
| Dec-03 | 1.18 | 2.6 | 0.98 | 120.4% |
| Dec-04 | 1.23 | 4.2 | 0.90 | 136.7% |
| Dec-05 | 1.29 | 4.9 | 1.00 | 129.0% |
| Dec-06 | 1.44 | 11.6 | 1.05 | 137.1% |
| Dec-07 | 1.56 | 8.3 | 1.03 | 151.5% |
| Dec-08 | 1.66 | 6.4 | 0.91 | 182.4% |
| Dec-09 | 1.71 | 3.0 | 1.03 | 166.0% |
| Dec-10 | 1.72 | 0.6 | 0.92 | 187.0% |
| Dec-11 | 1.74 | 1.2 | 1.01 | 172.3% |
| Dec-12 | 1.78 | 2.3 | 0.76 | 234.2% |
| Dec-13 | 2.18 | 22.5 | 0.71 | 307.0% |
| ***Dec-14*** | ***2.20*** | ***0.8*** | ***2.47*** | ***88.8%*** |
| *Jan-16* | *2.29* | *4.0* | *2.46* | *93.0%* |
| *Dec-16* | *2.38* | *4.0* | *2.54* | *93.7%* |
| *Dec-17* | *2.47* | *4.0* | *2.67* | *92.7%* |
| *Dec-18* | *2.57* | *4.0* | *2.82* | *91.0%* |

Light green shading denotes a dividend increase, while light red shading denotes a dividend decrease. Heavy green shading denotes a significant dividend increase, while heavy red shading denotes a significant dividend decrease or an excessive payout ratio. NA = Not Applicable.

To view our full 16-page equity report on Realty Income Corp, please visit our website at www.valuentum.com



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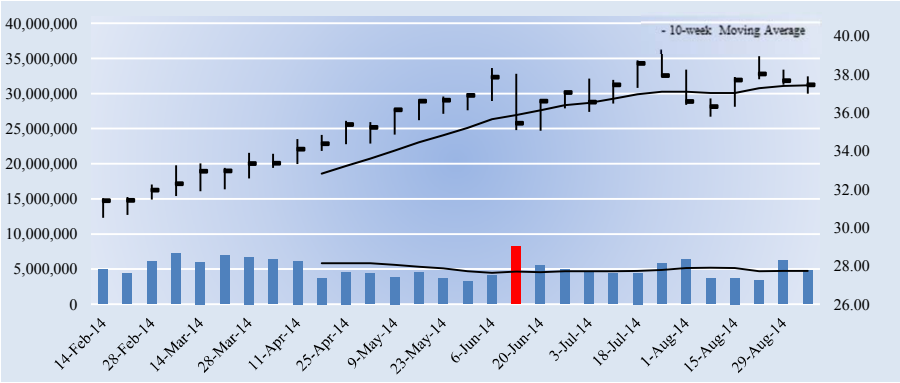
# Omega Healthcare OHI FAIRLY VALUED

**Buying Index™** 7 **Value Rating**

| Economic Castle | Stock Fair Value Range | Dividend Track Record | Dividend Safety / Cushion™ | Div Growth Potential | Dividend Yield |
|---|---|---|---|---|---|
| Attractive | $37.00 - $59.00 | HEALTHY | GOOD / 1.9 | EXCELLENT | 5.45% |

**Omega Healthcare stands out to us as one of the better income plays on the market today. We'd consider adding it to our dividend growth portfolio.**

## Stock Chart (weekly)




## Key Dividend Considerations

| | |
|---|---|
| Current Annual Dividend Yield | **5.45%** |
| Annual Dividends per Share | **$2.04** |
| Initial Annual Div's Paid, $10k Investment | **$544.87** |
| Dividend Track Record | **HEALTHY** |
| Dividend Safety | **GOOD** |
| Valuentum Dividend Cushion™ | **1.9** |
| Dividend Growth Potential | **EXCELLENT** |
| Risk of Capital Loss | **MEDIUM** |
| ValueRisk™ (Equity Margin of Safety) | **MEDIUM** |

The Valuentum Dividend Cushion is a ratio that compares the firm's excess cash and cash flow to its future dividend stream. A score above 1 indicates cash flow is sufficient to cover future dividends (higher is better).

## Dividend Strength

| Dividend Safety \ Dividend Growth | Very Poor | Poor | Good | Excellent |
|---|---|---|---|---|
| Excellent | | | | |
| Good | | | | |
| Poor | | | | |
| Very Poor | | | | |

Firms that have safe and growing dividends score at the top right of our scale.

## Company Vitals

| | |
|---|---|
| Market Cap (USD) | $4,422 |
| Avg Weekly Vol (30 wks) | 5,097 |
| 30-week Range (USD) | 30.51 - 39.31 |
| Valuentum Sector | Financials |
| Last Fiscal Year Revenue | 419 |
| Last Fiscal Year EPS | 1.47 |
| Last Fiscal Year EBITDA | 394 |
| Forward Revenue Growth (5-yr) | 6.6% |
| Forward EPS Growth (5-yr) | 16.9% |

## Dividend Vitals

| | |
|---|---|
| Current Annual Dividend Yield % | 5.4% |
| Annual Dividends Per Share | 2.04 |
| Forward Dividend Payout Ratio | 71.4% |
| 3-yr Historical Dividend CAGR | 9.6% |
| 15-yr Historical Dividend CAGR | NA |
| 3-yr Hist Median Div Payout Ratio | 150.9% |
| 15-yr Hist Median Div Payout Ratio | 0.0% |

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

## Initial Annual Income Per Investment ($)

| # of Shares | Investment ($) | Annual Div's ($) |
|---|---|---|
| 25 | 936.00 | 51.00 |
| 50 | 1,872.00 | 102.00 |
| 100 | 3,744.00 | 204.00 |
| 200 | 7,488.00 | 408.00 |
| 300 | 11,232.00 | 612.00 |
| 400 | 14,976.00 | 816.00 |
| 500 | 18,720.00 | 1,020.00 |
| 1,000 | 37,440.00 | 2,040.00 |
| 2,000 | 74,880.00 | 4,080.00 |
| 5,000 | 187,200.00 | 10,200.00 |
| 10,000 | 374,400.00 | 20,400.00 |
| 50,000 | 1,872,000.00 | 102,000.00 |
| 100,000 | 3,744,000.00 | 204,000.00 |

Initial annual income is based on the firm's current forward annual dividend yield and could be subject to change.

## Dividend Safety / Cushion — GOOD / 1.9

We assess the safety of a firm's dividend by adding the company's net cash to our forecast of its free cash flows over the next five years. We then divide that sum by the total expected dividends over the next five years. This process results in our Dividend Cushion™ ratio. A Dividend Cushion™ above 1 indicates a firm can cover its future dividends with net cash on hand and future free cash flow, while a score below 1 signals trouble may be on the horizon. And by extension, the greater the score, the safer the dividend, as excess cash can be used to offset any unexpected earnings shortfall. Omega Healthcare scores a 1.9 on our Dividend Cushion™, which is GOOD.

## Dividend Growth Potential — EXCELLENT

We judge the future potential growth of the dividend by evaluating the capacity for future increases, as measured by the Dividend Cushion™, and management's willingness to consistently raise the dividend, as measured by the firm's dividend track record. Omega Healthcare registers an EXCELLENT rating on our scale, and we think the firm's annual dividend will be $2.84 per share within the next several years.

## Risk of Capital Loss — MEDIUM

We assess the risk of capital loss based on our analysis of a firm's intrinsic value at this point in time. If the stock is undervalued (based on our DCF process), we think the risk of failing to recoup one's original capital investment (ex dividends) is relatively LOW. If the stock is fairly valued (it falls within our fair value estimate range), we think the likelihood of losing capital (ex dividends) is MEDIUM. If the stock is trading above our estimate of its intrinsic value, we think the likelihood of losing at least a portion of one's original investment (ex dividends) is HIGH. Omega Healthcare registers a score of MEDIUM on our scale.

## Dividend Track Record — HEALTHY

| Fiscal Year | Div's/Share ($) | Div Growth % | EPS ($) | Payout Ratio |
|---|---|---|---|---|
| Dec-99 | NA | 0.0 | NA | 0.0% |
| Dec-00 | NA | 0.0 | NA | 0.0% |
| Dec-01 | NA | 0.0 | NA | 0.0% |
| Dec-02 | NA | 0.0 | NA | 0.0% |
| Dec-03 | NA | 0.0 | NA | 0.0% |
| Dec-04 | NA | 0.0 | NA | 0.0% |
| Dec-05 | NA | 0.0 | NA | 0.0% |
| Dec-06 | NA | 0.0 | NA | 0.0% |
| Dec-07 | NA | 0.0 | NA | 0.0% |
| Dec-08 | NA | 0.0 | NA | 0.0% |
| Dec-09 | NA | 0.0 | NA | 0.0% |
| Dec-10 | 1.37 | 0.0 | 0.52 | 263.5% |
| Dec-11 | 1.55 | 13.1 | 0.46 | 337.0% |
| Dec-12 | 1.69 | 9.0 | 1.12 | 150.9% |
| Dec-13 | 1.86 | 10.1 | 1.46 | 127.4% |
| ***Dec-14*** | ***2.04*** | ***9.7*** | ***2.86*** | ***71.4%*** |
| *Jan-16* | *2.23* | *9.5* | *2.94* | *76.0%* |
| *Dec-16* | *2.43* | *9.0* | *3.06* | *79.5%* |
| *Dec-17* | *2.63* | *8.0* | *3.15* | *83.4%* |
| *Dec-18* | *2.84* | *8.0* | *3.21* | *88.4%* |

Light green shading denotes a dividend increase, while light red shading denotes a dividend decrease. Heavy green shading denotes a significant dividend increase, while heavy red shading denotes a significant dividend decrease or an excessive payout ratio. NA = Not Applicable.

To view our full 16-page equity report on Omega Healthcare, please visit our website at www.valuentum.com



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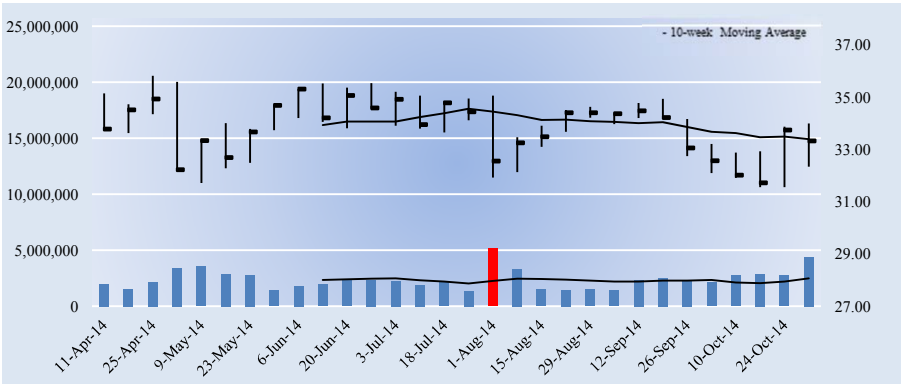
# Owens & Minor OMI FAIRLY VALUED

**Buying Index™** 4 **Value Rating**

| Economic Castle | Stock Fair Value Range | Dividend Track Record | Dividend Safety / Cushion™ | Div Growth Potential | Dividend Yield |
|---|---|---|---|---|---|
| Attractive | $26.00 - $40.00 | HEALTHY | GOOD / 1.7 | EXCELLENT | 3.00% |

## Owens & Minor's dividend strength is fairly good for the size of its dividend yield.

### Stock Chart (weekly)




### Company Vitals

| | |
|---|---|
| Market Cap (USD) | $2,088 |
| Avg Weekly Vol (30 wks) | 2,408 |
| 30-week Range (USD) | 31.55 - 35.81 |
| Valuentum Sector | Health Care |
| Last Fiscal Year Revenue | 9,072 |
| Last Fiscal Year EPS | 1.77 |
| Last Fiscal Year EBITDA | 253 |
| Forward Revenue Growth (5-yr) | 3.5% |
| Forward EPS Growth (5-yr) | 10.7% |

### Dividend Vitals

| | |
|---|---|
| Current Annual Dividend Yield % | 3.0% |
| Annual Dividends Per Share | 1.00 |
| Forward Dividend Payout Ratio | 56.6% |
| 3-yr Historical Dividend CAGR | 7.7% |
| 15-yr Historical Dividend CAGR | NA |
| 3-yr Hist Median Div Payout Ratio | 50.9% |
| 15-yr Hist Median Div Payout Ratio | 0.0% |

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

### Initial Annual Income Per Investment ($)

| # of Shares | Investment ($) | Annual Div's ($) |
|---|---|---|
| 25 | 833.00 | 25.00 |
| 50 | 1,666.00 | 50.00 |
| 100 | 3,332.00 | 100.00 |
| 200 | 6,664.00 | 200.00 |
| 300 | 9,996.00 | 300.00 |
| 400 | 13,328.00 | 400.00 |
| 500 | 16,660.00 | 500.00 |
| 1,000 | 33,320.00 | 1,000.00 |
| 2,000 | 66,640.00 | 2,000.00 |
| 5,000 | 166,600.00 | 5,000.00 |
| 10,000 | 333,200.00 | 10,000.00 |
| 50,000 | 1,666,000.00 | 50,000.00 |
| 100,000 | 3,332,000.00 | 100,000.00 |

Initial annual income is based on the firm's current forward annual dividend yield and could be subject to change.

### Dividend Safety / Cushion — GOOD / 1.7

We assess the safety of a firm's dividend by adding the company's net cash to our forecast of its free cash flows over the next five years. We then divide that sum by the total expected dividends over the next five years. This process results in our Dividend Cushion™ ratio. A Dividend Cushion™ above 1 indicates a firm can cover its future dividends with net cash on hand and future free cash flow, while a score below 1 signals trouble may be on the horizon. And by extension, the greater the score, the safer the dividend, as excess cash can be used to offset any unexpected earnings shortfall. Owens & Minor scores a 1.7 on our Dividend Cushion™, which is GOOD.

### Dividend Growth Potential — EXCELLENT

We judge the future potential growth of the dividend by evaluating the capacity for future increases, as measured by the Dividend Cushion™, and management's willingness to consistently raise the dividend, as measured by the firm's dividend track record. Owens & Minor registers an EXCELLENT rating on our scale, and we think the firm's annual dividend will be $1.17 per share within the next several years.

### Risk of Capital Loss — MEDIUM

We assess the risk of capital loss based on our analysis of a firm's intrinsic value at this point in time. If the stock is undervalued (based on our DCF process), we think the risk of failing to recoup one's original capital investment (ex dividends) is relatively LOW. If the stock is fairly valued (it falls within our fair value estimate range), we think the likelihood of losing capital (ex dividends) is MEDIUM. If the stock is trading above our estimate of its intrinsic value, we think the likelihood of losing at least a portion of one's original investment (ex dividends) is HIGH. Owens & Minor registers a score of MEDIUM on our scale.

### Key Dividend Considerations

| | |
|---|---|
| Current Annual Dividend Yield | **3.00%** |
| Annual Dividends per Share | **$1.00** |
| Initial Annual Div's Paid, $10k Investment | **$300.12** |
| Dividend Track Record | **HEALTHY** |
| Dividend Safety | **GOOD** |
| Valuentum Dividend Cushion™ | **1.7** |
| Dividend Growth Potential | **EXCELLENT** |
| Risk of Capital Loss | **MEDIUM** |
| ValueRisk™ (Equity Margin of Safety) | **LOW** |

The Valuentum Dividend Cushion is a ratio that compares the firm's excess cash and cash flow to its future dividend stream. A score above 1 indicates cash flow is sufficient to cover future dividends (higher is better).

### Dividend Strength

| Dividend Safety \ Dividend Growth | Very Poor | Poor | Good | Excellent |
|---|---|---|---|---|
| Excellent | | | | |
| Good | | | | |
| Poor | | | | |
| Very Poor | | | | |

Firms that have safe and growing dividends score at the top right of our scale.

### Dividend Track Record — HEALTHY

| Fiscal Year | Div's/Share ($) | Div Growth % | EPS ($) | Payout Ratio |
|---|---|---|---|---|
| Dec-99 | NA | 0.0 | 0.82 | 0.0% |
| Dec-00 | NA | 0.0 | 0.94 | 0.0% |
| Dec-01 | NA | 0.0 | 0.85 | 0.0% |
| Dec-02 | NA | 0.0 | 1.26 | 0.0% |
| Dec-03 | NA | 0.0 | 1.42 | 0.0% |
| Dec-04 | NA | 0.0 | 1.53 | 0.0% |
| Dec-05 | NA | 0.0 | 1.61 | 0.0% |
| Dec-06 | NA | 0.0 | 1.20 | 0.0% |
| Dec-07 | NA | 0.0 | 1.79 | 0.0% |
| Dec-08 | NA | 0.0 | 1.63 | 0.0% |
| Dec-09 | NA | 0.0 | 1.86 | 0.0% |
| Dec-10 | 0.71 | 0.0 | 1.75 | 40.6% |
| Dec-11 | 0.80 | 12.7 | 1.81 | 44.2% |
| Dec-12 | 0.88 | 10.0 | 1.73 | 50.9% |
| Dec-13 | 0.96 | 9.1 | 1.77 | 54.2% |
| ***Dec-14*** | ***1.00*** | ***4.2*** | ***1.77*** | ***56.6%*** |
| *Dec-15* | *1.04* | *4.0* | *1.95* | *53.4%* |
| *Dec-16* | *1.08* | *4.0* | *2.27* | *47.7%* |
| *Dec-17* | *1.12* | *4.0* | *2.60* | *43.3%* |
| *Dec-18* | *1.17* | *4.0* | *2.94* | *39.8%* |

Light green shading denotes a dividend increase, while light red shading denotes a dividend decrease. Heavy green shading denotes a significant dividend increase, while heavy red shading denotes a significant dividend decrease or an excessive payout ratio. NA = Not Applicable.

To view our full 16-page equity report on Owens & Minor, please visit our website at www.valuentum.com



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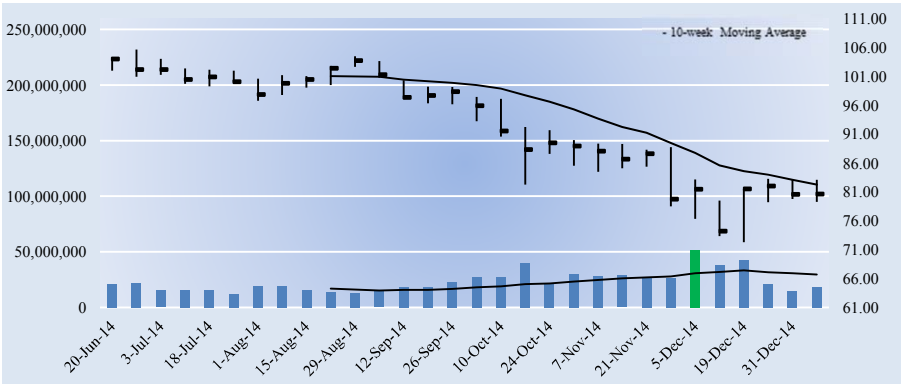
# Occidental Petroleum OXY FAIRLY VALUED

**Buying Index™** 3 **Value Rating**

| Economic Castle | Stock Fair Value Range | Dividend Track Record | Dividend Safety / Cushion™ | Div Growth Potential | Dividend Yield |
|---|---|---|---|---|---|
| Neutral | $55.00 - $101.00 | HEALTHY | GOOD / 1.3 | EXCELLENT | 3.57% |

## Occidental's dividend growth may be challenged by volatile crude oil prices.

### Stock Chart (weekly)




### Key Dividend Considerations

| | |
|---|---|
| Current Annual Dividend Yield | **3.57%** |
| Annual Dividends per Share | **$2.88** |
| Initial Annual Div's Paid, $10k Investment | **$357.10** |
| Dividend Track Record | **HEALTHY** |
| Dividend Safety | **GOOD** |
| Valuentum Dividend Cushion™ | **1.3** |
| Dividend Growth Potential | **EXCELLENT** |
| Risk of Capital Loss | **MEDIUM** |
| ValueRisk™ (Equity Margin of Safety) | **MEDIUM** |

The Valuentum Dividend Cushion is a ratio that compares the firm's excess cash and cash flow to its future dividend stream. A score above 1 indicates cash flow is sufficient to cover future dividends (higher is better).

### Dividend Strength

| Dividend Safety \ Dividend Growth | Very Poor | Poor | Good | Excellent |
|---|---|---|---|---|
| Excellent | | | | |
| Good | | | | |
| Poor | | | | |
| Very Poor | | | | |

Firms that have safe and growing dividends score at the top right of our scale.

### Company Vitals

| | |
|---|---|
| Market Cap (USD) | $64,891 |
| Avg Weekly Vol (30 wks) | 23,299 |
| 30-week Range (USD) | 72.32 - 105.64 |
| Valuentum Sector | Energy |
| Last Fiscal Year Revenue | 25,736 |
| Last Fiscal Year EPS | 7.36 |
| Last Fiscal Year EBITDA | 14,087 |
| Forward Revenue Growth (5-yr) | -2.1% |
| Forward EPS Growth (5-yr) | -3.9% |

### Dividend Vitals

| | |
|---|---|
| Current Annual Dividend Yield % | 3.6% |
| Annual Dividends Per Share | 2.88 |
| Forward Dividend Payout Ratio | 47.4% |
| 3-yr Historical Dividend CAGR | 16.1% |
| 15-yr Historical Dividend CAGR | NA |
| 3-yr Hist Median Div Payout Ratio | 34.9% |
| 15-yr Hist Median Div Payout Ratio | 14.5% |

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

### Initial Annual Income Per Investment ($)

| # of Shares | Investment ($) | Annual Div's ($) |
|---|---|---|
| 25 | 2,016.25 | 72.00 |
| 50 | 4,032.50 | 144.00 |
| 100 | 8,065.00 | 288.00 |
| 200 | 16,130.00 | 576.00 |
| 300 | 24,195.00 | 864.00 |
| 400 | 32,260.00 | 1,152.00 |
| 500 | 40,325.00 | 1,440.00 |
| 1,000 | 80,650.00 | 2,880.00 |
| 2,000 | 161,300.00 | 5,760.00 |
| 5,000 | 403,250.00 | 14,400.00 |
| 10,000 | 806,500.00 | 28,800.00 |
| 50,000 | 4,032,500.00 | 144,000.00 |
| 100,000 | 8,065,000 | 288,000.00 |

Initial annual income is based on the firm's current forward annual dividend yield and could be subject to change.

### Dividend Safety / Cushion — GOOD / 1.3

We assess the safety of a firm's dividend by adding the company's net cash to our forecast of its free cash flows over the next five years. We then divide that sum by the total expected dividends over the next five years. This process results in our Dividend Cushion™ ratio. A Dividend Cushion™ above 1 indicates a firm can cover its future dividends with net cash on hand and future free cash flow, while a score below 1 signals trouble may be on the horizon. And by extension, the greater the score, the safer the dividend, as excess cash can be used to offset any unexpected earnings shortfall. Occidental Petroleum scores a 1.3 on our Dividend Cushion™, which is GOOD.

### Dividend Growth Potential — EXCELLENT

We judge the future potential growth of the dividend by evaluating the capacity for future increases, as measured by the Dividend Cushion™, and management's willingness to consistently raise the dividend, as measured by the firm's dividend track record. Occidental Petroleum registers an EXCELLENT rating on our scale, and we think the firm's annual dividend will be $3.43 per share within the next several years.

### Risk of Capital Loss — MEDIUM

We assess the risk of capital loss based on our analysis of a firm's intrinsic value at this point in time. If the stock is undervalued (based on our DCF process), we think the risk of failing to recoup one's original capital investment (ex dividends) is relatively LOW. If the stock is fairly valued (it falls within our fair value estimate range), we think the likelihood of losing capital (ex dividends) is MEDIUM. If the stock is trading above our estimate of its intrinsic value, we think the likelihood of losing at least a portion of one's original investment (ex dividends) is HIGH. Occidental Petroleum registers a score of MEDIUM on our scale.

### Dividend Track Record — HEALTHY

| Fiscal Year | Div's/Share ($) | Div Growth % | EPS ($) | Payout Ratio |
|---|---|---|---|---|
| Dec-99 | NA | 0.0 | 0.79 | 0.0% |
| Dec-00 | NA | 0.0 | 2.13 | 0.0% |
| Dec-01 | NA | 0.0 | 1.59 | 0.0% |
| Dec-02 | NA | 0.0 | 1.54 | 0.0% |
| Dec-03 | NA | 0.0 | 2.06 | 0.0% |
| Dec-04 | NA | 0.0 | 3.25 | 0.0% |
| Dec-05 | 0.60 | 0.0 | 6.45 | 9.3% |
| Dec-06 | 0.76 | 26.7 | 5.15 | 14.8% |
| Dec-07 | 0.91 | 19.7 | 6.05 | 15.0% |
| Dec-08 | 1.21 | 33.0 | 8.33 | 14.5% |
| Dec-09 | 1.31 | 8.3 | 3.59 | 36.5% |
| Dec-10 | 1.47 | 12.2 | 5.61 | 26.2% |
| Dec-11 | 1.84 | 25.2 | 8.16 | 22.5% |
| Dec-12 | 2.16 | 17.4 | 5.71 | 37.8% |
| Dec-13 | 2.56 | 18.5 | 7.34 | 34.9% |
| ***Dec-14*** | ***2.88*** | ***12.5*** | ***6.08*** | ***47.4%*** |
| *Dec-15* | *3.02* | *5.0* | *3.46* | *87.3%* |
| *Dec-16* | *3.18* | *5.0* | *4.22* | *75.2%* |
| *Dec-17* | *3.30* | *4.0* | *5.07* | *65.1%* |
| *Dec-18* | *3.43* | *4.0* | *6.03* | *57.0%* |

Light green shading denotes a dividend increase, while light red shading denotes a dividend decrease. Heavy green shading denotes a significant dividend increase, while heavy red shading denotes a significant dividend decrease or an excessive payout ratio. NA = Not Applicable.

To view our full 16-page equity report on Occidental Petroleum, please visit our website at www.valuentum.com



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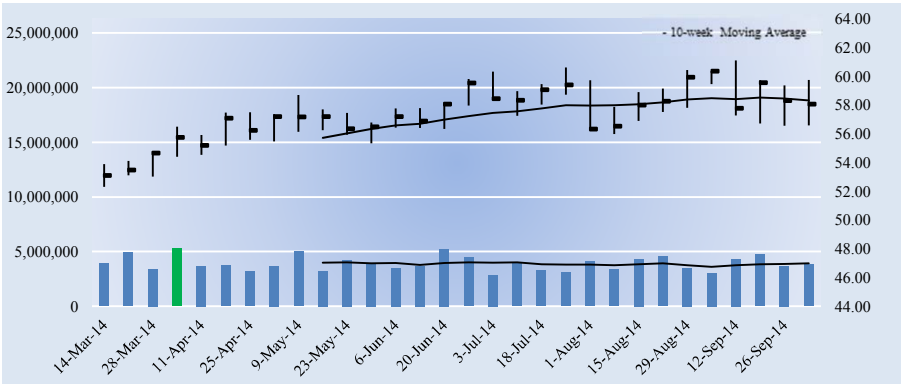
# Plains All American PAA FAIRLY VALUED

**Buying Index™** 4 **Value Rating**

| Economic Castle | Stock Fair Value Range | Dividend Track Record | Dividend Safety / Cushion™ | Div Growth Potential | Dividend Yield |
|---|---|---|---|---|---|
| Attractive | $40.00 - $66.00 | HEALTHY | EXCELLENT / 3.5 | EXCELLENT | 4.55% |

**Plains All American's distribution has advanced at roughly a 7.5% CAGR since 2001.**

## Stock Chart (weekly)




## Key Dividend Considerations

| | |
|---|---|
| Current Annual Dividend Yield | **4.55%** |
| Annual Dividends per Share | **$2.64** |
| Initial Annual Div's Paid, $10k Investment | **$454.62** |
| Dividend Track Record | **HEALTHY** |
| Dividend Safety | **EXCELLENT** |
| Valuentum Dividend Cushion™ | **3.5** |
| Dividend Growth Potential | **EXCELLENT** |
| Risk of Capital Loss | **MEDIUM** |
| ValueRisk™ (Equity Margin of Safety) | **MEDIUM** |

The Valuentum Dividend Cushion is a ratio that compares the firm's excess cash and cash flow to its future dividend stream. A score above 1 indicates cash flow is sufficient to cover future dividends (higher is better).

## Dividend Strength

| Dividend Safety \ Dividend Growth | Very Poor | Poor | Good | Excellent |
|---|---|---|---|---|
| Excellent | | | | |
| Good | | | | |
| Poor | | | | |
| Very Poor | | | | |

Firms that have safe and growing dividends score at the top right of our scale.

## Company Vitals

| | |
|---|---|
| Market Cap (USD) | $41,658 |
| Avg Weekly Vol (30 wks) | 3,919 |
| 30-week Range (USD) | 52.31 - 61.09 |
| Valuentum Sector | Energy |
| Last Fiscal Year Revenue | 42,249 |
| Last Fiscal Year EPS | 3.97 |
| Last Fiscal Year EBITDA | 2,103 |
| Forward Revenue Growth (5-yr) | 5.5% |
| Forward EPS Growth (5-yr) | 0.8% |

## Dividend Vitals

| | |
|---|---|
| Current Annual Dividend Yield % | 4.5% |
| Annual Dividends Per Share | 2.64 |
| Forward Dividend Payout Ratio | 107.1% |
| 3-yr Historical Dividend CAGR | 10.6% |
| 15-yr Historical Dividend CAGR | 8.3% |
| 3-yr Hist Median Div Payout Ratio | 82.6% |
| 15-yr Hist Median Div Payout Ratio | 65.5% |

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

## Initial Annual Income Per Investment ($)

| # of Shares | Investment ($) | Annual Div's ($) |
|---|---|---|
| 25 | 1,451.75 | 66.00 |
| 50 | 2,903.50 | 132.00 |
| 100 | 5,807.00 | 264.00 |
| 200 | 11,614.00 | 528.00 |
| 300 | 17,421.00 | 792.00 |
| 400 | 23,228.00 | 1,056.00 |
| 500 | 29,035.00 | 1,320.00 |
| 1,000 | 58,070.00 | 2,640.00 |
| 2,000 | 116,140.00 | 5,280.00 |
| 5,000 | 290,350.00 | 13,200.00 |
| 10,000 | 580,700.00 | 26,400.00 |
| 50,000 | 2,903,500.00 | 132,000.00 |
| 100,000 | 5,807,000.00 | 264,000.00 |

Initial annual income is based on the firm's current forward annual dividend yield and could be subject to change.

## Dividend Safety / Cushion — EXCELLENT / 3.5

We assess the safety of a firm's dividend by adding the company's net cash to our forecast of its free cash flows over the next five years. We then divide that sum by the total expected dividends over the next five years. This process results in our Dividend Cushion™ ratio. A Dividend Cushion™ above 1 indicates a firm can cover its future dividends with net cash on hand and future free cash flow, while a score below 1 signals trouble may be on the horizon. And by extension, the greater the score, the safer the dividend, as excess cash can be used to offset any unexpected earnings shortfall. Plains All American scores a 3.5 on our Dividend Cushion™, which is EXCELLENT.

## Dividend Growth Potential — EXCELLENT

We judge the future potential growth of the dividend by evaluating the capacity for future increases, as measured by the Dividend Cushion™, and management's willingness to consistently raise the dividend, as measured by the firm's dividend track record. Plains All American registers an EXCELLENT rating on our scale, and we think the firm's annual dividend will be $3.59 per share within the next several years.

## Risk of Capital Loss — MEDIUM

We assess the risk of capital loss based on our analysis of a firm's intrinsic value at this point in time. If the stock is undervalued (based on our DCF process), we think the risk of failing to recoup one's original capital investment (ex dividends) is relatively LOW. If the stock is fairly valued (it falls within our fair value estimate range), we think the likelihood of losing capital (ex dividends) is MEDIUM. If the stock is trading above our estimate of its intrinsic value, we think the likelihood of losing at least a portion of one's original investment (ex dividends) is HIGH. Plains All American registers a score of MEDIUM on our scale.

## Dividend Track Record — HEALTHY

| Fiscal Year | Div's/Share ($) | Div Growth % | EPS ($) | Payout Ratio |
|---|---|---|---|---|
| Dec-99 | 0.80 | 0.0 | -3.16 | -25.2% |
| Dec-00 | 0.92 | 15.1 | 2.64 | 34.7% |
| Dec-01 | 0.98 | 6.6 | 1.12 | 87.1% |
| Dec-02 | 1.06 | 8.2 | 1.34 | 78.7% |
| Dec-03 | 1.10 | 3.8 | 1.00 | 109.5% |
| Dec-04 | 1.15 | 5.0 | 1.94 | 59.3% |
| Dec-05 | 1.29 | 12.2 | 2.72 | 47.4% |
| Dec-06 | 1.44 | 11.2 | 2.81 | 51.1% |
| Dec-07 | 1.64 | 14.3 | 2.52 | 65.1% |
| Dec-08 | 1.75 | 6.7 | 2.67 | 65.5% |
| Dec-09 | 1.81 | 3.4 | 3.32 | 54.5% |
| Dec-10 | 1.88 | 3.9 | 1.20 | 156.7% |
| Dec-11 | 1.95 | 3.7 | 2.43 | 80.2% |
| Dec-12 | 2.11 | 8.2 | 2.41 | 87.6% |
| Dec-13 | 2.33 | 10.4 | 2.82 | 82.6% |
| ***Dec-14*** | ***2.64*** | ***13.3*** | ***2.46*** | ***107.1%*** |
| *Dec-15* | *2.85* | *8.0* | *2.78* | *102.7%* |
| *Dec-16* | *3.08* | *8.0* | *3.21* | *96.0%* |
| *Dec-17* | *3.33* | *8.0* | *3.66* | *91.0%* |
| *Dec-18* | *3.59* | *8.0* | *4.13* | *87.0%* |

Light green shading denotes a dividend increase, while light red shading denotes a dividend decrease. Heavy green shading denotes a significant dividend increase, while heavy red shading denotes a significant dividend decrease or an excessive payout ratio. NA = Not Applicable.

To view our full 16-page equity report on Plains All American, please visit our website at www.valuentum.com



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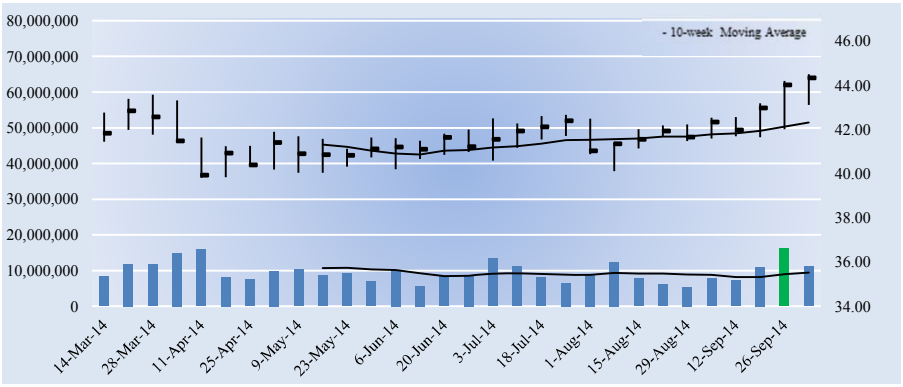
# Paychex PAYX FAIRLY VALUED

Valuentum Buying Index™ 6 Valuentum Value Rating

| Economic Castle | Stock Fair Value Range | Dividend Track Record | Dividend Safety / Cushion™ | Div Growth Potential | Dividend Yield |
|---|---|---|---|---|---|
| Highest Rated | $34.00 - $50.00 | HEALTHY | EXCELLENT / 2.9 | EXCELLENT | 3.43% |

**Paychex stands out to us as one of the better income plays on the market today. We'd consider adding it to our dividend growth portfolio.**

## Stock Chart (weekly)




## Company Vitals

| | |
|---|---|
| Market Cap (USD) | $16,226 |
| Avg Weekly Vol (30 wks) | 9,646 |
| 30-week Range (USD) | 39.8 - 44.49 |
| Valuentum Sector | Information Technology |
| Last Fiscal Year Revenue | 2,519 |
| Last Fiscal Year EPS | 1.71 |
| Last Fiscal Year EBITDA | 1,117 |
| Forward Revenue Growth (5-yr) | 6.7% |
| Forward EPS Growth (5-yr) | 7.4% |

## Dividend Vitals

| | |
|---|---|
| Current Annual Dividend Yield % | 3.4% |
| Annual Dividends Per Share | 1.52 |
| Forward Dividend Payout Ratio | 81.3% |
| 3-yr Historical Dividend CAGR | 6.2% |
| 15-yr Historical Dividend CAGR | 13.8% |
| 3-yr Hist Median Div Payout Ratio | 84.0% |
| 15-yr Hist Median Div Payout Ratio | 58.8% |

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

## Initial Annual Income Per Investment ($)

| # of Shares | Investment ($) | Annual Div's ($) |
|---|---|---|
| 25 | 1,108.00 | 38.00 |
| 50 | 2,216.00 | 76.00 |
| 100 | 4,432.00 | 152.00 |
| 200 | 8,864.00 | 304.00 |
| 300 | 13,296.00 | 456.00 |
| 400 | 17,728.00 | 608.00 |
| 500 | 22,160.00 | 760.00 |
| 1,000 | 44,320.00 | 1,520.00 |
| 2,000 | 88,640.00 | 3,040.00 |
| 5,000 | 221,600.00 | 7,600.00 |
| 10,000 | 443,200.00 | 15,200.00 |
| 50,000 | 2,216,000.00 | 76,000.00 |
| 100,000 | 4,432,000.00 | 152,000.00 |

Initial annual income is based on the firm's current forward annual dividend yield and could be subject to change.

## Dividend Safety / Cushion — EXCELLENT / 2.9

We assess the safety of a firm's dividend by adding the company's net cash to our forecast of its free cash flows over the next five years. We then divide that sum by the total expected dividends over the next five years. This process results in our Dividend Cushion™ ratio. A Dividend Cushion™ above 1 indicates a firm can cover its future dividends with net cash on hand and future free cash flow, while a score below 1 signals trouble may be on the horizon. And by extension, the greater the score, the safer the dividend, as excess cash can be used to offset any unexpected earnings shortfall. Paychex scores a 2.9 on our Dividend Cushion™, which is EXCELLENT.

## Dividend Growth Potential — EXCELLENT

We judge the future potential growth of the dividend by evaluating the capacity for future increases, as measured by the Dividend Cushion™, and management's willingness to consistently raise the dividend, as measured by the firm's dividend track record. Paychex registers an EXCELLENT rating on our scale, and we think the firm's annual dividend will be $1.92 per share within the next several years.

## Risk of Capital Loss — MEDIUM

We assess the risk of capital loss based on our analysis of a firm's intrinsic value at this point in time. If the stock is undervalued (based on our DCF process), we think the risk of failing to recoup one's original capital investment (ex dividends) is relatively LOW. If the stock is fairly valued (it falls within our fair value estimate range), we think the likelihood of losing capital (ex dividends) is MEDIUM. If the stock is trading above our estimate of its intrinsic value, we think the likelihood of losing at least a portion of one's original investment (ex dividends) is HIGH. Paychex registers a score of MEDIUM on our scale.

## Key Dividend Considerations

| | |
|---|---|
| Current Annual Dividend Yield | **3.43%** |
| Annual Dividends per Share | **$1.52** |
| Initial Annual Div's Paid, $10k Investment | **$342.96** |
| Dividend Track Record | **HEALTHY** |
| Dividend Safety | **EXCELLENT** |
| Valuentum Dividend Cushion™ | **2.9** |
| Dividend Growth Potential | **EXCELLENT** |
| Risk of Capital Loss | **MEDIUM** |
| ValueRisk™ (Equity Margin of Safety) | **LOW** |

The Valuentum Dividend Cushion is a ratio that compares the firm's excess cash and cash flow to its future dividend stream. A score above 1 indicates cash flow is sufficient to cover future dividends (higher is better).

## Dividend Strength

| Dividend Safety \ Dividend Growth | Very Poor | Poor | Good | Excellent |
|---|---|---|---|---|
| Excellent | | | | |
| Good | | | | |
| Poor | | | | |
| Very Poor | | | | |

Firms that have safe and growing dividends score at the top right of our scale.

## Dividend Track Record — HEALTHY

| Fiscal Year | Div's/Share ($) | Div Growth % | EPS ($) | Payout Ratio |
|---|---|---|---|---|
| May-00 | 0.22 | 0.0 | 0.51 | 43.1% |
| May-01 | 0.33 | 50.0 | 0.68 | 48.5% |
| May-02 | 0.42 | 27.3 | 0.73 | 57.5% |
| May-03 | 0.44 | 4.8 | 0.78 | 56.4% |
| May-04 | 0.47 | 6.8 | 0.80 | 58.8% |
| May-05 | 0.51 | 8.5 | 0.97 | 52.6% |
| May-06 | 0.61 | 19.6 | 1.22 | 50.0% |
| May-07 | 0.79 | 29.5 | 1.35 | 58.5% |
| May-08 | 1.20 | 51.9 | 1.56 | 76.9% |
| May-09 | 1.24 | 3.3 | 1.48 | 83.8% |
| May-10 | 1.24 | 0.0 | 1.32 | 93.9% |
| May-11 | 1.24 | 0.0 | 1.42 | 87.3% |
| May-12 | 1.27 | 2.4 | 1.51 | 84.1% |
| May-13 | 1.31 | 3.1 | 1.56 | 84.0% |
| May-14 | 1.40 | 6.9 | 1.71 | 81.9% |
| ***May-15*** | ***1.52*** | ***8.6*** | ***1.87*** | ***81.3%*** |
| *May-16* | *1.61* | *6.0* | *2.03* | *79.4%* |
| *May-17* | *1.71* | *6.0* | *2.18* | *78.5%* |
| *May-18* | *1.81* | *6.0* | *2.32* | *78.1%* |
| *May-19* | *1.92* | *6.0* | *2.45* | *78.2%* |

Light green shading denotes a dividend increase, while light red shading denotes a dividend decrease. Heavy green shading denotes a significant dividend increase, while heavy red shading denotes a significant dividend decrease or an excessive payout ratio. NA = Not Applicable.

To view our full 16-page equity report on Paychex, please visit our website at www.valuentum.com



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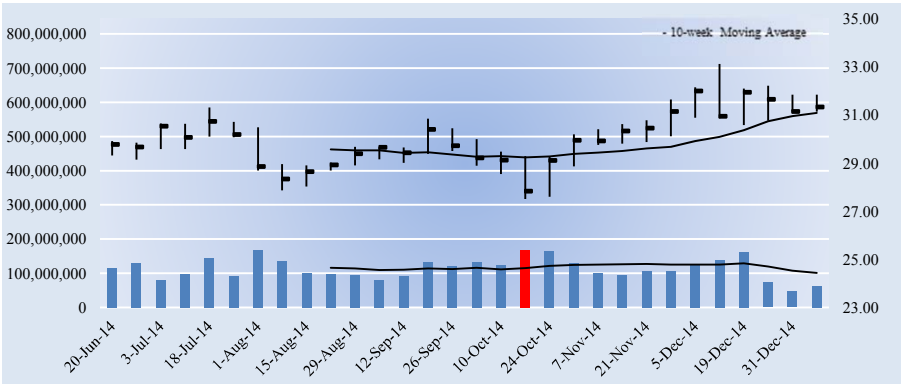
# Pfizer PFE FAIRLY VALUED

Buying Index™ 6 Value Rating

| Economic Castle | Stock Fair Value Range | Dividend Track Record | Dividend Safety / Cushion™ | Div Growth Potential | Dividend Yield |
|---|---|---|---|---|---|
| Attractive | $26.00 - $38.00 | RISKY | GOOD / 2.2 | GOOD | 3.57% |

**Pfizer has put its checkered dividend past behind it.**

## Stock Chart (weekly)




## Company Vitals

| | |
|---|---|
| Market Cap (USD) | $216,020 |
| Avg Weekly Vol (30 wks) | 114,017 |
| 30-week Range (USD) | 27.51 - 33.12 |
| Valuentum Sector | Health Care |
| Last Fiscal Year Revenue | 51,584 |
| Last Fiscal Year EPS | 1.64 |
| Last Fiscal Year EBITDA | 18,397 |
| Forward Revenue Growth (5-yr) | -0.4% |
| Forward EPS Growth (5-yr) | 10.0% |

## Dividend Vitals

| | |
|---|---|
| Current Annual Dividend Yield % | 3.6% |
| Annual Dividends Per Share | 1.12 |
| Forward Dividend Payout Ratio | 49.3% |
| 3-yr Historical Dividend CAGR | 11.9% |
| 15-yr Historical Dividend CAGR | 8.9% |
| 3-yr Hist Median Div Payout Ratio | 69.8% |
| 15-yr Hist Median Div Payout Ratio | 65.0% |

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

## Initial Annual Income Per Investment ($)

| # of Shares | Investment ($) | Annual Div's ($) |
|---|---|---|
| 25 | 783.25 | 28.00 |
| 50 | 1,566.50 | 56.00 |
| 100 | 3,133.00 | 112.00 |
| 200 | 6,266.00 | 224.00 |
| 300 | 9,399.00 | 336.00 |
| 400 | 12,532.00 | 448.00 |
| 500 | 15,665.00 | 560.00 |
| 1,000 | 31,330.00 | 1,120.00 |
| 2,000 | 62,660.00 | 2,240.00 |
| 5,000 | 156,650.00 | 5,600.00 |
| 10,000 | 313,300.00 | 11,200.00 |
| 50,000 | 1,566,500.00 | 56,000.00 |
| 100,000 | 3,133,000.00 | 112,000.00 |

Initial annual income is based on the firm's current forward annual dividend yield and could be subject to change.

## Dividend Safety / Cushion — GOOD / 2.2

We assess the safety of a firm's dividend by adding the company's net cash to our forecast of its free cash flows over the next five years. We then divide that sum by the total expected dividends over the next five years. This process results in our Dividend Cushion™ ratio. A Dividend Cushion™ above 1 indicates a firm can cover its future dividends with net cash on hand and future free cash flow, while a score below 1 signals trouble may be on the horizon. And by extension, the greater the score, the safer the dividend, as excess cash can be used to offset any unexpected earnings shortfall. Pfizer scores a 2.2 on our Dividend Cushion™, which is GOOD.

## Dividend Growth Potential — GOOD

We judge the future potential growth of the dividend by evaluating the capacity for future increases, as measured by the Dividend Cushion™, and management's willingness to consistently raise the dividend, as measured by the firm's dividend track record. Pfizer registers an GOOD rating on our scale, and we think the firm's annual dividend will be $1.44 per share within the next several years.

## Risk of Capital Loss — MEDIUM

We assess the risk of capital loss based on our analysis of a firm's intrinsic value at this point in time. If the stock is undervalued (based on our DCF process), we think the risk of failing to recoup one's original capital investment (ex dividends) is relatively LOW. If the stock is fairly valued (it falls within our fair value estimate range), we think the likelihood of losing capital (ex dividends) is MEDIUM. If the stock is trading above our estimate of its intrinsic value, we think the likelihood of losing at least a portion of one's original investment (ex dividends) is HIGH. Pfizer registers a score of MEDIUM on our scale.

## Key Dividend Considerations

| | |
|---|---|
| Current Annual Dividend Yield | **3.57%** |
| Annual Dividends per Share | **$1.12** |
| Initial Annual Div's Paid, $10k Investment | **$357.48** |
| Dividend Track Record | **RISKY** |
| Dividend Safety | **GOOD** |
| Valuentum Dividend Cushion™ | **2.2** |
| Dividend Growth Potential | **GOOD** |
| Risk of Capital Loss | **MEDIUM** |
| ValueRisk™ (Equity Margin of Safety) | **LOW** |

The Valuentum Dividend Cushion is a ratio that compares the firm's excess cash and cash flow to its future dividend stream. A score above 1 indicates cash flow is sufficient to cover future dividends (higher is better).

## Dividend Strength

| Dividend Safety \ Dividend Growth | Very Poor | Poor | Good | Excellent |
|---|---|---|---|---|
| Excellent | | | | |
| Good | | | ■ | |
| Poor | | | | |
| Very Poor | | | | |

Firms that have safe and growing dividends score at the top right of our scale.

## Dividend Track Record — RISKY

| Fiscal Year | Div's/Share ($) | Div Growth % | EPS ($) | Payout Ratio |
|---|---|---|---|---|
| Dec-99 | 0.31 | 0.0 | 0.82 | 37.8% |
| Dec-00 | 0.36 | 16.1 | 0.59 | 61.0% |
| Dec-01 | 0.44 | 22.2 | 1.22 | 36.1% |
| Dec-02 | 0.52 | 18.2 | 1.47 | 35.4% |
| Dec-03 | 0.60 | 15.4 | 0.22 | 272.7% |
| Dec-04 | 0.68 | 13.3 | 1.49 | 45.6% |
| Dec-05 | 0.76 | 11.8 | 1.09 | 69.7% |
| Dec-06 | 0.96 | 26.3 | 1.52 | 63.2% |
| Dec-07 | 1.16 | 20.8 | 1.18 | 98.3% |
| Dec-08 | 1.28 | 10.3 | 1.19 | 107.6% |
| Dec-09 | 0.80 | -37.5 | 1.23 | 65.0% |
| Dec-10 | 0.72 | -10.0 | 1.02 | 70.6% |
| Dec-11 | 0.80 | 11.1 | 1.11 | 72.1% |
| Dec-12 | 0.88 | 10.0 | 1.26 | 69.8% |
| Dec-13 | 0.96 | 9.1 | 1.65 | 58.2% |
| ***Dec-14*** | ***1.12*** | ***16.7*** | ***2.27*** | ***49.3%*** |
| *Dec-15* | *1.21* | *8.0* | *2.24* | *53.9%* |
| *Dec-16* | *1.29* | *7.0* | *2.33* | *55.5%* |
| *Dec-17* | *1.37* | *6.0* | *2.46* | *55.7%* |
| *Dec-18* | *1.44* | *5.0* | *2.64* | *54.5%* |

Light green shading denotes a dividend increase, while light red shading denotes a dividend decrease. Heavy green shading denotes a significant dividend increase, while heavy red shading denotes a significant dividend decrease or an excessive payout ratio. NA = Not Applicable.

To view our full 16-page equity report on Pfizer, please visit our website at www.valuentum.com



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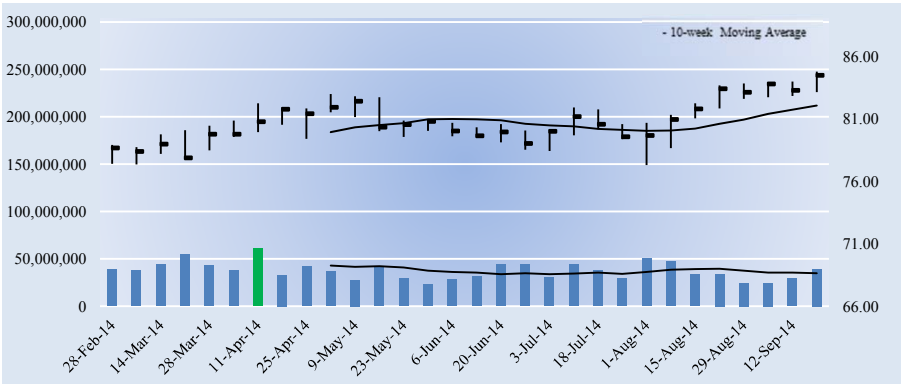
# Procter & Gamble PG FAIRLY VALUED

**Buying Index™** 7 **Value Rating**

| Economic Castle | Stock Fair Value Range | Dividend Track Record | Dividend Safety / Cushion™ | Div Growth Potential | Dividend Yield |
|---|---|---|---|---|---|
| Attractive | $67.00 - $101.00 | HEALTHY | GOOD / 1.7 | EXCELLENT | 3.04% |

**Procter & Gamble boasts 120+ consecutive years of dividend payments and 55+ consecutive years of dividend increases. Its payout is rock-solid.**

## Stock Chart (weekly)




## Company Vitals

| | |
|---|---|
| Market Cap (USD) | $245,360 |
| Avg Weekly Vol (30 wks) | 37,424 |
| 30-week Range (USD) | 77.29 - 84.77 |
| Valuentum Sector | Consumer Staples |
| Last Fiscal Year Revenue | 83,062 |
| Last Fiscal Year EPS | 3.98 |
| Last Fiscal Year EBITDA | 18,429 |
| Forward Revenue Growth (5-yr) | 3.9% |
| Forward EPS Growth (5-yr) | 11.6% |

## Dividend Vitals

| | |
|---|---|
| Current Annual Dividend Yield % | 3.0% |
| Annual Dividends Per Share | 2.57 |
| Forward Dividend Payout Ratio | 57.1% |
| 3-yr Historical Dividend CAGR | 6.3% |
| 15-yr Historical Dividend CAGR | NA |
| 3-yr Hist Median Div Payout Ratio | 61.6% |
| 15-yr Hist Median Div Payout Ratio | 45.8% |

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

## Initial Annual Income Per Investment ($)

| # of Shares | Investment ($) | Annual Div's ($) |
|---|---|---|
| 25 | 2,111.75 | 64.25 |
| 50 | 4,223.50 | 128.50 |
| 100 | 8,447.00 | 257.00 |
| 200 | 16,894.00 | 514.00 |
| 300 | 25,341.00 | 771.00 |
| 400 | 33,788.00 | 1,028.00 |
| 500 | 42,235.00 | 1,285.00 |
| 1,000 | 84,470.00 | 2,570.00 |
| 2,000 | 168,940.00 | 5,140.00 |
| 5,000 | 422,350.00 | 12,850.00 |
| 10,000 | 844,700.00 | 25,700.00 |
| 50,000 | 4,223,500.00 | 128,500.00 |
| 100,000 | 8,447,000.00 | 257,000.00 |

Initial annual income is based on the firm's current forward annual dividend yield and could be subject to change.

## Dividend Safety / Cushion — GOOD / 1.7

We assess the safety of a firm's dividend by adding the company's net cash to our forecast of its free cash flows over the next five years. We then divide that sum by the total expected dividends over the next five years. This process results in our Dividend Cushion™ ratio. A Dividend Cushion™ above 1 indicates a firm can cover its future dividends with net cash on hand and future free cash flow, while a score below 1 signals trouble may be on the horizon. And by extension, the greater the score, the safer the dividend, as excess cash can be used to offset any unexpected earnings shortfall. Procter & Gamble scores a 1.7 on our Dividend Cushion™, which is GOOD.

## Dividend Growth Potential — EXCELLENT

We judge the future potential growth of the dividend by evaluating the capacity for future increases, as measured by the Dividend Cushion™, and management's willingness to consistently raise the dividend, as measured by the firm's dividend track record. Procter & Gamble registers an EXCELLENT rating on our scale, and we think the firm's annual dividend will be $3.5 per share within the next several years.

## Risk of Capital Loss — MEDIUM

We assess the risk of capital loss based on our analysis of a firm's intrinsic value at this point in time. If the stock is undervalued (based on our DCF process), we think the risk of failing to recoup one's original capital investment (ex dividends) is relatively LOW. If the stock is fairly valued (it falls within our fair value estimate range), we think the likelihood of losing capital (ex dividends) is MEDIUM. If the stock is trading above our estimate of its intrinsic value, we think the likelihood of losing at least a portion of one's original investment (ex dividends) is HIGH. Procter & Gamble registers a score of MEDIUM on our scale.

## Key Dividend Considerations

| | |
|---|---|
| Current Annual Dividend Yield | **3.04%** |
| Annual Dividends per Share | **$2.57** |
| Initial Annual Div's Paid, $10k Investment | **$304.25** |
| Dividend Track Record | **HEALTHY** |
| Dividend Safety | **GOOD** |
| Valuentum Dividend Cushion™ | **1.7** |
| Dividend Growth Potential | **EXCELLENT** |
| Risk of Capital Loss | **MEDIUM** |
| ValueRisk™ (Equity Margin of Safety) | **LOW** |

The Valuentum Dividend Cushion is a ratio that compares the firm's excess cash and cash flow to its future dividend stream. A score above 1 indicates cash flow is sufficient to cover future dividends (higher is better).

## Dividend Strength

| Dividend Safety \ Dividend Growth | Very Poor | Poor | Good | Excellent |
|---|---|---|---|---|
| Excellent | | | | |
| Good | | | | ■ |
| Poor | | | | |
| Very Poor | | | | |

Firms that have safe and growing dividends score at the top right of our scale.

## Dividend Track Record — HEALTHY

| Fiscal Year | Div's/Share ($) | Div Growth % | EPS ($) | Payout Ratio |
|---|---|---|---|---|
| NA | NA | 0.0 | NA | 0.0% |
| Jun-01 | 0.70 | 0.0 | 1.04 | 67.3% |
| Jun-02 | 0.76 | 8.6 | 1.55 | 49.0% |
| Jun-03 | 0.82 | 7.9 | 1.85 | 44.3% |
| Jun-04 | 0.93 | 13.4 | 2.32 | 40.1% |
| Jun-05 | 1.03 | 10.8 | 2.66 | 38.7% |
| Jun-06 | 1.15 | 11.7 | 2.64 | 43.6% |
| Jun-07 | 1.28 | 11.3 | 3.04 | 42.1% |
| Jun-08 | 1.45 | 13.3 | 3.64 | 39.8% |
| Jun-09 | 1.64 | 13.1 | 3.58 | 45.8% |
| Jun-10 | 1.80 | 9.8 | 3.53 | 51.0% |
| Jun-11 | 1.97 | 9.4 | 3.93 | 50.1% |
| Jun-12 | 2.14 | 8.6 | 3.12 | 68.6% |
| Jun-13 | 2.29 | 7.0 | 3.86 | 59.3% |
| Jun-14 | 2.45 | 7.0 | 3.98 | 61.6% |
| ***Jun-15*** | ***2.57*** | ***4.9*** | ***4.50*** | ***57.1%*** |
| *Jun-16* | *2.78* | *8.0* | *4.86* | *57.1%* |
| *Jun-17* | *3.00* | *8.0* | *5.50* | *54.5%* |
| *Jun-18* | *3.24* | *8.0* | *6.18* | *52.4%* |
| *Jun-19* | *3.50* | *8.0* | *6.91* | *50.6%* |

Light green shading denotes a dividend increase, while light red shading denotes a dividend decrease. Heavy green shading denotes a significant dividend increase, while heavy red shading denotes a significant dividend decrease or an excessive payout ratio. NA = Not Applicable.

To view our full 16-page equity report on Procter & Gamble, please visit our website at www.valuentum.com



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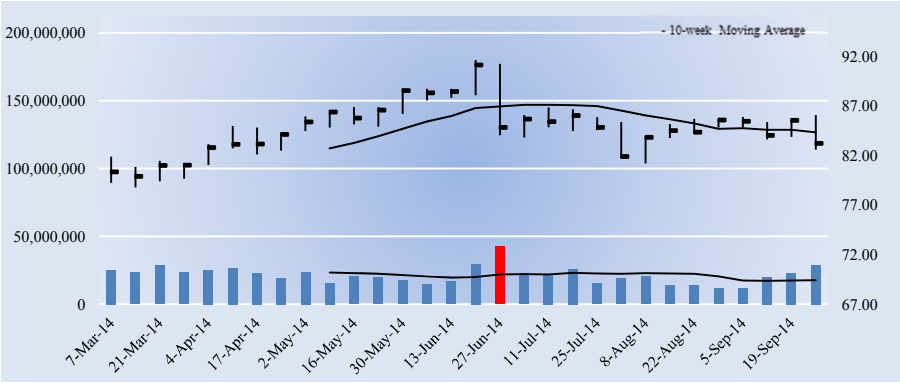
# Philip Morris PM FAIRLY VALUED

**Buying Index™** 4 **Value Rating**

| Economic Castle | Stock Fair Value Range | Dividend Track Record | Dividend Safety / Cushion™ | Div Growth Potential | Dividend Yield |
|---|---|---|---|---|---|
| Very Attractive | $69.00 - $103.00 | HEALTHY | GOOD / 1 | GOOD | 4.52% |

**Philip Morris' dividend is poised for dividend growth, but its dividend metrics could be healthier.**

## Stock Chart (weekly)




## Company Vitals

| | |
|---|---|
| Market Cap (USD) | $134,999 |
| Avg Weekly Vol (30 wks) | 21,434 |
| 30-week Range (USD) | 78.79 - 91.63 |
| Valuentum Sector | Consumer Staples |
| Last Fiscal Year Revenue | 80,029 |
| Last Fiscal Year EPS | 5.29 |
| Last Fiscal Year EBITDA | 14,706 |
| Forward Revenue Growth (5-yr) | 2.5% |
| Forward EPS Growth (5-yr) | 9.8% |

## Dividend Vitals

| | |
|---|---|
| Current Annual Dividend Yield % | 4.5% |
| Annual Dividends Per Share | 3.76 |
| Forward Dividend Payout Ratio | 72.4% |
| 3-yr Historical Dividend CAGR | 10.1% |
| 15-yr Historical Dividend CAGR | NA |
| 3-yr Hist Median Div Payout Ratio | 62.3% |
| 15-yr Hist Median Div Payout Ratio | 0.0% |

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

## Initial Annual Income Per Investment ($)

| # of Shares | Investment ($) | Annual Div's ($) |
|---|---|---|
| 25 | 2,080.75 | 94.00 |
| 50 | 4,161.50 | 188.00 |
| 100 | 8,323.00 | 376.00 |
| 200 | 16,646.00 | 752.00 |
| 300 | 24,969.00 | 1,128.00 |
| 400 | 33,292.00 | 1,504.00 |
| 500 | 41,615.00 | 1,880.00 |
| 1,000 | 83,230.00 | 3,760.00 |
| 2,000 | 166,460.00 | 7,520.00 |
| 5,000 | 416,150.00 | 18,800.00 |
| 10,000 | 832,300.00 | 37,600.00 |
| 50,000 | 4,161,500.00 | 188,000.00 |
| 100,000 | 8,323,000.00 | 376,000.00 |

Initial annual income is based on the firm's current forward annual dividend yield and could be subject to change.

## Dividend Safety / Cushion — GOOD / 1

We assess the safety of a firm's dividend by adding the company's net cash to our forecast of its free cash flows over the next five years. We then divide that sum by the total expected dividends over the next five years. This process results in our Dividend Cushion™ ratio. A Dividend Cushion™ above 1 indicates a firm can cover its future dividends with net cash on hand and future free cash flow, while a score below 1 signals trouble may be on the horizon. And by extension, the greater the score, the safer the dividend, as excess cash can be used to offset any unexpected earnings shortfall. Philip Morris scores a 1 on our Dividend Cushion™, which is GOOD.

## Dividend Growth Potential — GOOD

We judge the future potential growth of the dividend by evaluating the capacity for future increases, as measured by the Dividend Cushion™, and management's willingness to consistently raise the dividend, as measured by the firm's dividend track record. Philip Morris registers an GOOD rating on our scale, and we think the firm's annual dividend will be $4.36 per share within the next several years.

## Risk of Capital Loss — MEDIUM

We assess the risk of capital loss based on our analysis of a firm's intrinsic value at this point in time. If the stock is undervalued (based on our DCF process), we think the risk of failing to recoup one's original capital investment (ex dividends) is relatively LOW. If the stock is fairly valued (it falls within our fair value estimate range), we think the likelihood of losing capital (ex dividends) is MEDIUM. If the stock is trading above our estimate of its intrinsic value, we think the likelihood of losing at least a portion of one's original investment (ex dividends) is HIGH. Philip Morris registers a score of MEDIUM on our scale.

## Key Dividend Considerations

| | |
|---|---|
| Current Annual Dividend Yield | **4.52%** |
| Annual Dividends per Share | **$3.76** |
| Initial Annual Div's Paid, $10k Investment | **$451.76** |
| Dividend Track Record | **HEALTHY** |
| Dividend Safety | **GOOD** |
| Valuentum Dividend Cushion™ | **1.0** |
| Dividend Growth Potential | **GOOD** |
| Risk of Capital Loss | **MEDIUM** |
| ValueRisk™ (Equity Margin of Safety) | **LOW** |

The Valuentum Dividend Cushion is a ratio that compares the firm's excess cash and cash flow to its future dividend stream. A score above 1 indicates cash flow is sufficient to cover future dividends (higher is better).

## Dividend Strength

| Dividend Safety \ Dividend Growth | Very Poor | Poor | Good | Excellent |
|---|---|---|---|---|
| Excellent | | | | |
| Good | | | | |
| Poor | | | | |
| Very Poor | | | | |

Firms that have safe and growing dividends score at the top right of our scale.

## Dividend Track Record — HEALTHY

| Fiscal Year | Div's/Share ($) | Div Growth % | EPS ($) | Payout Ratio |
|---|---|---|---|---|
| NA | 0.00 | 0.0 | 0.00 | 0.0% |
| NA | 0.00 | 0.0 | 0.00 | 0.0% |
| NA | 0.00 | 0.0 | 0.00 | 0.0% |
| NA | 0.00 | 0.0 | 0.00 | 0.0% |
| NA | 0.00 | 0.0 | 0.00 | 0.0% |
| NA | 0.00 | 0.0 | 0.00 | 0.0% |
| NA | 0.00 | 0.0 | 0.00 | 0.0% |
| NA | 0.00 | 0.0 | 40.97 | 0.0% |
| NA | 0.00 | 0.0 | 40.17 | 0.0% |
| NA | 1.00 | 0.0 | 3.32 | 0.0% |
| NA | 2.24 | 124.0 | 0.00 | 0.0% |
| NA | 2.44 | 8.9 | 0.00 | 0.0% |
| Dec-11 | 2.82 | 15.6 | 5.04 | 56.0% |
| Dec-12 | 3.24 | 14.9 | 5.20 | 62.3% |
| Dec-13 | 3.58 | 10.5 | 5.29 | 67.7% |
| ***Dec-14*** | ***3.76*** | ***5.0*** | ***5.19*** | ***72.4%*** |
| *Dec-15* | *3.95* | *5.0* | *5.57* | *70.9%* |
| *Dec-16* | *4.11* | *4.0* | *6.43* | *63.8%* |
| *Dec-17* | *4.23* | *3.0* | *7.39* | *57.2%* |
| *Dec-18* | *4.36* | *3.0* | *8.43* | *51.6%* |

Light green shading denotes a dividend increase, while light red shading denotes a dividend decrease. Heavy green shading denotes a significant dividend increase, while heavy red shading denotes a significant dividend decrease or an excessive payout ratio. NA = Not Applicable.

To view our full 16-page equity report on Philip Morris, please visit our website at www.valuentum.com



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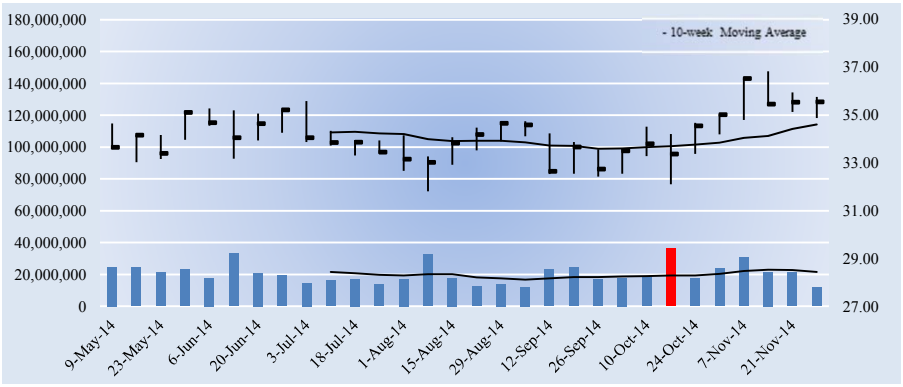
# PPL PPL FAIRLY VALUED

**Buying Index™** 6 **Value Rating**

| Economic Castle | Stock Fair Value Range | Dividend Track Record | Dividend Safety / Cushion™ | Div Growth Potential | Dividend Yield |
|---|---|---|---|---|---|
| Neutral | $28.00 - $42.00 | HEALTHY | VERY POOR / -0.5 | VERY POOR | 4.19% |

**We hold PPL in the portfolio of the Dividend Growth Newsletter to gain measured exposure to the utilities industry.**

## Stock Chart (weekly)




## Company Vitals

| | |
|---|---|
| Market Cap (USD) | $23,559 |
| Avg Weekly Vol (30 wks) | 20,475 |
| 30-week Range (USD) | 31.79 - 36.81 |
| Valuentum Sector | Energy |
| Last Fiscal Year Revenue | 11,860 |
| Last Fiscal Year EPS | 1.70 |
| Last Fiscal Year EBITDA | 4,419 |
| Forward Revenue Growth (5-yr) | 1.6% |
| Forward EPS Growth (5-yr) | 6.7% |

## Dividend Vitals

| | |
|---|---|
| Current Annual Dividend Yield % | 4.2% |
| Annual Dividends Per Share | 1.49 |
| Forward Dividend Payout Ratio | 61.7% |
| 3-yr Historical Dividend CAGR | 2.1% |
| 15-yr Historical Dividend CAGR | NA |
| 3-yr Hist Median Div Payout Ratio | 55.2% |
| 15-yr Hist Median Div Payout Ratio | 47.9% |

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

## Initial Annual Income Per Investment ($)

| # of Shares | Investment ($) | Annual Div's ($) |
|---|---|---|
| 25 | 888.25 | 37.25 |
| 50 | 1,776.50 | 74.50 |
| 100 | 3,553.00 | 149.00 |
| 200 | 7,106.00 | 298.00 |
| 300 | 10,659.00 | 447.00 |
| 400 | 14,212.00 | 596.00 |
| 500 | 17,765.00 | 745.00 |
| 1,000 | 35,530.00 | 1,490.00 |
| 2,000 | 71,060.00 | 2,980.00 |
| 5,000 | 177,650.00 | 7,450.00 |
| 10,000 | 355,300.00 | 14,900.00 |
| 50,000 | 1,776,500.00 | 74,500.00 |
| 100,000 | 3,553,000.00 | 149,000.00 |

Initial annual income is based on the firm's current forward annual dividend yield and could be subject to change.

## Dividend Safety / Cushion — VERY POOR / -0.5

We assess the safety of a firm's dividend by adding the company's net cash to our forecast of its free cash flows over the next five years. We then divide that sum by the total expected dividends over the next five years. This process results in our Dividend Cushion™ ratio. A Dividend Cushion™ above 1 indicates a firm can cover its future dividends with net cash on hand and future free cash flow, while a score below 1 signals trouble may be on the horizon. And by extension, the greater the score, the safer the dividend, as excess cash can be used to offset any unexpected earnings shortfall. PPL scores a -0.5 on our Dividend Cushion™, which is VERY POOR.

## Dividend Growth Potential — VERY POOR

We judge the future potential growth of the dividend by evaluating the capacity for future increases, as measured by the Dividend Cushion™, and management's willingness to consistently raise the dividend, as measured by the firm's dividend track record. PPL registers an VERY POOR rating on our scale, and we think the firm's annual dividend will be $1.61 per share within the next several years.

## Risk of Capital Loss — MEDIUM

We assess the risk of capital loss based on our analysis of a firm's intrinsic value at this point in time. If the stock is undervalued (based on our DCF process), we think the risk of failing to recoup one's original capital investment (ex dividends) is relatively LOW. If the stock is fairly valued (it falls within our fair value estimate range), we think the likelihood of losing capital (ex dividends) is MEDIUM. If the stock is trading above our estimate of its intrinsic value, we think the likelihood of losing at least a portion of one's original investment (ex dividends) is HIGH. PPL registers a score of MEDIUM on our scale.

## Key Dividend Considerations

| | |
|---|---|
| Current Annual Dividend Yield | **4.19%** |
| Annual Dividends per Share | **$1.49** |
| Initial Annual Div's Paid, $10k Investment | **$419.36** |
| Dividend Track Record | **HEALTHY** |
| Dividend Safety | **VERY POOR** |
| Valuentum Dividend Cushion™ | **-0.5** |
| Dividend Growth Potential | **VERY POOR** |
| Risk of Capital Loss | **MEDIUM** |
| ValueRisk™ (Equity Margin of Safety) | **LOW** |

The Valuentum Dividend Cushion is a ratio that compares the firm's excess cash and cash flow to its future dividend stream. A score above 1 indicates cash flow is sufficient to cover future dividends (higher is better).

## Dividend Strength

| Dividend Safety \ Dividend Growth | Very Poor | Poor | Good | Excellent |
|---|---|---|---|---|
| Excellent | | | | |
| Good | | | | |
| Poor | | | | |
| Very Poor | ■ | | | |

Firms that have safe and growing dividends score at the top right of our scale.

## Dividend Track Record — HEALTHY

| Fiscal Year | Div's/Share ($) | Div Growth % | EPS ($) | Payout Ratio |
|---|---|---|---|---|
| Dec-99 | NA | 0.0 | 1.18 | 0.0% |
| Dec-00 | NA | 0.0 | 1.69 | 0.0% |
| Dec-01 | NA | 0.0 | 0.61 | 0.0% |
| Dec-02 | 0.67 | 0.0 | 1.18 | 56.8% |
| Dec-03 | 0.76 | 13.4 | 2.08 | 36.5% |
| Dec-04 | 0.81 | 6.6 | 1.89 | 42.9% |
| Dec-05 | 0.92 | 13.6 | 1.92 | 47.9% |
| Dec-06 | 1.08 | 17.4 | 2.29 | 47.2% |
| Dec-07 | 1.19 | 10.2 | 2.63 | 45.2% |
| Dec-08 | 1.31 | 10.1 | 2.45 | 53.5% |
| Dec-09 | 1.38 | 5.3 | 1.18 | 116.9% |
| Dec-10 | 1.40 | 1.4 | 2.20 | 63.6% |
| Dec-11 | 1.40 | 0.0 | 2.70 | 51.9% |
| Dec-12 | 1.44 | 2.9 | 2.61 | 55.2% |
| Dec-13 | 1.47 | 2.1 | 1.76 | 83.5% |
| ***Dec-14*** | ***1.49*** | ***1.4*** | ***2.41*** | ***61.7%*** |
| *Dec-15* | *1.52* | *2.0* | *2.30* | *66.0%* |
| *Dec-16* | *1.55* | *2.0* | *2.34* | *66.3%* |
| *Dec-17* | *1.58* | *2.0* | *2.36* | *67.1%* |
| *Dec-18* | *1.61* | *2.0* | *2.36* | *68.5%* |

Light green shading denotes a dividend increase, while light red shading denotes a dividend decrease. Heavy green shading denotes a significant dividend increase, while heavy red shading denotes a significant dividend decrease or an excessive payout ratio. NA = Not Applicable.

To view our full 16-page equity report on PPL, please visit our website at www.valuentum.com



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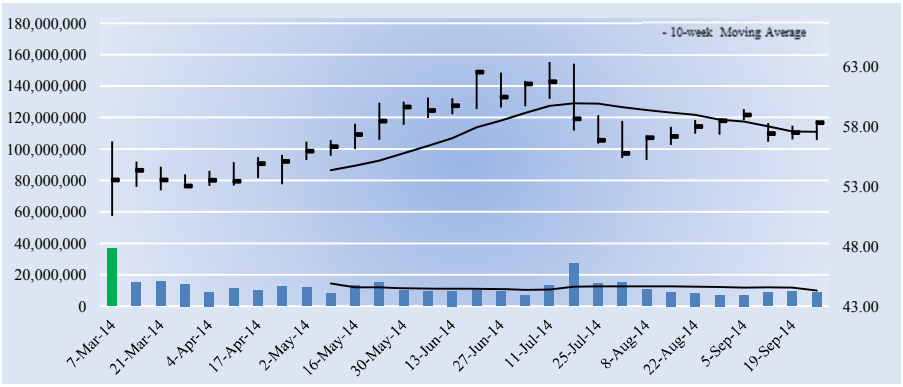
# Reynolds American RAI FAIRLY VALUED

**Buying Index™** 7 **Value Rating**

| Economic Castle | Stock Fair Value Range | Dividend Track Record | Dividend Safety / Cushion™ | Div Growth Potential | Dividend Yield |
|---|---|---|---|---|---|
| Highest Rated | $45.00 - $67.00 | HEALTHY | GOOD / 1.1 | GOOD | 4.60% |

## We like Reynolds American's dividend, but its dividend metrics could be stronger.

### Stock Chart (weekly)




### Key Dividend Considerations

| | |
|---|---|
| Current Annual Dividend Yield | **4.60%** |
| Annual Dividends per Share | **$2.68** |
| Initial Annual Div's Paid, $10k Investment | **$459.61** |
| Dividend Track Record | **HEALTHY** |
| Dividend Safety | **GOOD** |
| Valuentum Dividend Cushion™ | **1.1** |
| Dividend Growth Potential | **GOOD** |
| Risk of Capital Loss | **MEDIUM** |
| ValueRisk™ (Equity Margin of Safety) | **LOW** |

The Valuentum Dividend Cushion is a ratio that compares the firm's excess cash and cash flow to its future dividend stream. A score above 1 indicates cash flow is sufficient to cover future dividends (higher is better).

### Dividend Strength

| Dividend Safety \ Dividend Growth | Very Poor | Poor | Good | Excellent |
|---|---|---|---|---|
| Excellent | | | | |
| Good | | | ■ | |
| Poor | | | | |
| Very Poor | | | | |

Firms that have safe and growing dividends score at the top right of our scale.

### Company Vitals

| | |
|---|---|
| Market Cap (USD) | $31,893 |
| Avg Weekly Vol (30 wks) | 12,263 |
| 30-week Range (USD) | 50.54 - 63.39 |
| Valuentum Sector | Consumer Staples |
| Last Fiscal Year Revenue | 8,236 |
| Last Fiscal Year EPS | 3.14 |
| Last Fiscal Year EBITDA | 3,272 |
| Forward Revenue Growth (5-yr) | 2.3% |
| Forward EPS Growth (5-yr) | 8.1% |

### Dividend Vitals

| | |
|---|---|
| Current Annual Dividend Yield % | 4.6% |
| Annual Dividends Per Share | 2.68 |
| Forward Dividend Payout Ratio | 78.5% |
| 3-yr Historical Dividend CAGR | 7.6% |
| 15-yr Historical Dividend CAGR | NA |
| 3-yr Hist Median Div Payout Ratio | 89.6% |
| 15-yr Hist Median Div Payout Ratio | 0.0% |

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

### Initial Annual Income Per Investment ($)

| # of Shares | Investment ($) | Annual Div's ($) |
|---|---|---|
| 25 | 1,457.75 | 67.00 |
| 50 | 2,915.50 | 134.00 |
| 100 | 5,831.00 | 268.00 |
| 200 | 11,662.00 | 536.00 |
| 300 | 17,493.00 | 804.00 |
| 400 | 23,324.00 | 1,072.00 |
| 500 | 29,155.00 | 1,340.00 |
| 1,000 | 58,310.00 | 2,680.00 |
| 2,000 | 116,620.00 | 5,360.00 |
| 5,000 | 291,550.00 | 13,400.00 |
| 10,000 | 583,100.00 | 26,800.00 |
| 50,000 | 2,915,500.00 | 134,000.00 |
| 100,000 | 5,831,000.00 | 268,000.00 |

Initial annual income is based on the firm's current forward annual dividend yield and could be subject to change.

### Dividend Safety / Cushion — GOOD / 1.1

We assess the safety of a firm's dividend by adding the company's net cash to our forecast of its free cash flows over the next five years. We then divide that sum by the total expected dividends over the next five years. This process results in our Dividend Cushion™ ratio. A Dividend Cushion™ above 1 indicates a firm can cover its future dividends with net cash on hand and future free cash flow, while a score below 1 signals trouble may be on the horizon. And by extension, the greater the score, the safer the dividend, as excess cash can be used to offset any unexpected earnings shortfall. Reynolds American scores a 1.1 on our Dividend Cushion™, which is GOOD.

### Dividend Growth Potential — GOOD

We judge the future potential growth of the dividend by evaluating the capacity for future increases, as measured by the Dividend Cushion™, and management's willingness to consistently raise the dividend, as measured by the firm's dividend track record. Reynolds American registers an GOOD rating on our scale, and we think the firm's annual dividend will be $3.17 per share within the next several years.

### Risk of Capital Loss — MEDIUM

We assess the risk of capital loss based on our analysis of a firm's intrinsic value at this point in time. If the stock is undervalued (based on our DCF process), we think the risk of failing to recoup one's original capital investment (ex dividends) is relatively LOW. If the stock is fairly valued (it falls within our fair value estimate range), we think the likelihood of losing capital (ex dividends) is MEDIUM. If the stock is trading above our estimate of its intrinsic value, we think the likelihood of losing at least a portion of one's original investment (ex dividends) is HIGH. Reynolds American registers a score of MEDIUM on our scale.

### Dividend Track Record — HEALTHY

| Fiscal Year | Div's/Share ($) | Div Growth % | EPS ($) | Payout Ratio |
|---|---|---|---|---|
| Dec-99 | NA | NA | 0.90 | 0.0% |
| Dec-00 | NA | NA | 1.73 | 0.0% |
| Dec-01 | NA | NA | 2.24 | 0.0% |
| Dec-02 | NA | NA | 2.32 | 0.0% |
| Dec-03 | NA | NA | -22.04 | 0.0% |
| Dec-04 | NA | NA | 2.83 | 0.0% |
| Dec-05 | NA | NA | 3.34 | 0.0% |
| Dec-06 | NA | NA | 3.85 | 0.0% |
| Dec-07 | NA | NA | 4.43 | 0.0% |
| Dec-08 | 1.70 | NA | 2.29 | 0.0% |
| Dec-09 | 1.73 | 1.8 | 1.65 | 0.0% |
| Dec-10 | 1.84 | 6.4 | 2.27 | 0.0% |
| Dec-11 | 2.15 | 16.8 | 2.40 | 89.6% |
| Dec-12 | 2.33 | 8.4 | 2.24 | 104.0% |
| Dec-13 | 2.48 | 6.4 | 3.14 | 79.0% |
| ***Dec-14*** | ***2.68*** | ***8.1*** | ***3.41*** | ***78.5%*** |
| *Dec-15* | *2.81* | *5.0* | *3.68* | *76.5%* |
| *Dec-16* | *2.95* | *5.0* | *3.93* | *75.2%* |
| *Dec-17* | *3.07* | *4.0* | *4.25* | *72.3%* |
| *Dec-18* | *3.17* | *3.0* | *4.64* | *68.2%* |

Light green shading denotes a dividend increase, while light red shading denotes a dividend decrease. Heavy green shading denotes a significant dividend increase, while heavy red shading denotes a significant dividend decrease or an excessive payout ratio. NA = Not Applicable.

To view our full 16-page equity report on Reynolds American, please visit our website at www.valuentum.com



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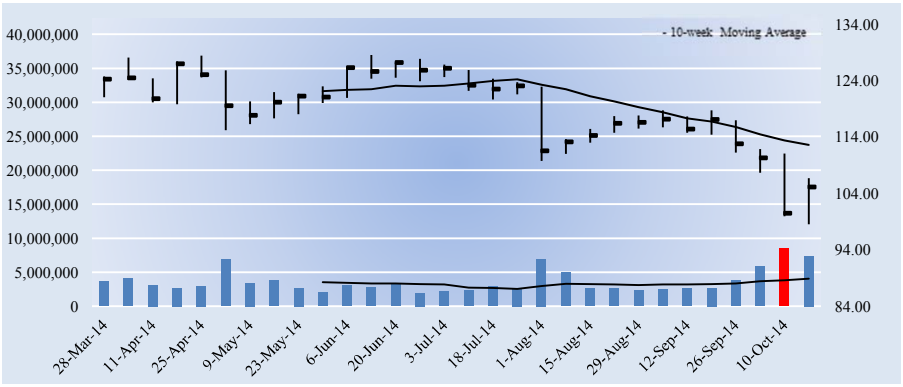
# Rockwell Automation ROK FAIRLY VALUED

**Buying Index™** 3 **Value Rating**

| Economic Castle | Stock Fair Value Range | Dividend Track Record | Dividend Safety / Cushion™ | Div Growth Potential | Dividend Yield |
|---|---|---|---|---|---|
| Attractive | $85.00 - $127.00 | HEALTHY | EXCELLENT / 2.8 | EXCELLENT | 2.21% |

**Rockwell's balance sheet and future expected cash flows put it in a good position for future dividend increases.**

## Stock Chart (weekly)




## Company Vitals

| | |
|---|---|
| Market Cap (USD) | $14,818 |
| Avg Weekly Vol (30 wks) | 3,627 |
| 30-week Range (USD) | 98.55 - 128.57 |
| Valuentum Sector | Industrials |
| Last Fiscal Year Revenue | 6,352 |
| Last Fiscal Year EPS | 5.37 |
| Last Fiscal Year EBITDA | 1,181 |
| Forward Revenue Growth (5-yr) | 4.7% |
| Forward EPS Growth (5-yr) | 10.6% |

## Dividend Vitals

| | |
|---|---|
| Current Annual Dividend Yield % | 2.2% |
| Annual Dividends Per Share | 2.32 |
| Forward Dividend Payout Ratio | 37.4% |
| 3-yr Historical Dividend CAGR | 16.2% |
| 15-yr Historical Dividend CAGR | NA |
| 3-yr Hist Median Div Payout Ratio | 34.1% |
| 15-yr Hist Median Div Payout Ratio | 29.7% |

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

## Initial Annual Income Per Investment ($)

| # of Shares | Investment ($) | Annual Div's ($) |
|---|---|---|
| 25 | 2,629.25 | 58.00 |
| 50 | 5,258.50 | 116.00 |
| 100 | 10,517.00 | 232.00 |
| 200 | 21,034.00 | 464.00 |
| 300 | 31,551.00 | 696.00 |
| 400 | 42,068.00 | 928.00 |
| 500 | 52,585.00 | 1,160.00 |
| 1,000 | 105,170.00 | 2,320.00 |
| 2,000 | 210,340.00 | 4,640.00 |
| 5,000 | 525,850.00 | 11,600.00 |
| 10,000 | 1,051,700.00 | 23,200.00 |
| 50,000 | 5,258,500.00 | 116,000.00 |
| 100,000 | 10,517,000 | 232,000.00 |

Initial annual income is based on the firm's current forward annual dividend yield and could be subject to change.

## Dividend Safety / Cushion — EXCELLENT / 2.8

We assess the safety of a firm's dividend by adding the company's net cash to our forecast of its free cash flows over the next five years. We then divide that sum by the total expected dividends over the next five years. This process results in our Dividend Cushion™ ratio. A Dividend Cushion™ above 1 indicates a firm can cover its future dividends with net cash on hand and future free cash flow, while a score below 1 signals trouble may be on the horizon. And by extension, the greater the score, the safer the dividend, as excess cash can be used to offset any unexpected earnings shortfall. Rockwell Automation scores a 2.8 on our Dividend Cushion™, which is EXCELLENT.

## Dividend Growth Potential — EXCELLENT

We judge the future potential growth of the dividend by evaluating the capacity for future increases, as measured by the Dividend Cushion™, and management's willingness to consistently raise the dividend, as measured by the firm's dividend track record. Rockwell Automation registers an EXCELLENT rating on our scale, and we think the firm's annual dividend will be $3.55 per share within the next several years.

## Risk of Capital Loss — MEDIUM

We assess the risk of capital loss based on our analysis of a firm's intrinsic value at this point in time. If the stock is undervalued (based on our DCF process), we think the risk of failing to recoup one's original capital investment (ex dividends) is relatively LOW. If the stock is fairly valued (it falls within our fair value estimate range), we think the likelihood of losing capital (ex dividends) is MEDIUM. If the stock is trading above our estimate of its intrinsic value, we think the likelihood of losing at least a portion of one's original investment (ex dividends) is HIGH. Rockwell Automation registers a score of MEDIUM on our scale.

## Key Dividend Considerations

| | |
|---|---|
| Current Annual Dividend Yield | **2.21%** |
| Annual Dividends per Share | **$2.32** |
| Initial Annual Div's Paid, $10k Investment | **$220.60** |
| Dividend Track Record | **HEALTHY** |
| Dividend Safety | **EXCELLENT** |
| Valuentum Dividend Cushion™ | **2.8** |
| Dividend Growth Potential | **EXCELLENT** |
| Risk of Capital Loss | **MEDIUM** |
| ValueRisk™ (Equity Margin of Safety) | **LOW** |

The Valuentum Dividend Cushion is a ratio that compares the firm's excess cash and cash flow to its future dividend stream. A score above 1 indicates cash flow is sufficient to cover future dividends (higher is better).

## Dividend Strength

| Dividend Safety \ Dividend Growth | Very Poor | Poor | Good | Excellent |
|---|---|---|---|---|
| Excellent | | | | |
| Good | | | | |
| Poor | | | | |
| Very Poor | | | | |

Firms that have safe and growing dividends score at the top right of our scale.

## Dividend Track Record — HEALTHY

| Fiscal Year | Div's/Share ($) | Div Growth % | EPS ($) | Payout Ratio |
|---|---|---|---|---|
| Sep-99 | NA | 0.0 | 3.01 | 0.0% |
| Sep-00 | NA | 0.0 | 3.35 | 0.0% |
| Sep-01 | NA | 0.0 | 0.68 | 0.0% |
| Sep-02 | NA | 0.0 | 1.20 | 0.0% |
| Sep-03 | NA | 0.0 | 1.49 | 0.0% |
| Sep-04 | 0.66 | 0.0 | 1.85 | 35.7% |
| Sep-05 | 0.78 | 18.2 | 2.77 | 28.2% |
| Sep-06 | 0.90 | 15.4 | 3.49 | 25.8% |
| Sep-07 | 1.16 | 28.9 | 3.53 | 32.9% |
| Sep-08 | 1.16 | 0.0 | 3.90 | 29.7% |
| Sep-09 | 1.16 | 0.0 | 1.53 | 75.8% |
| Sep-10 | 1.22 | 5.2 | 3.05 | 40.0% |
| Sep-11 | 1.48 | 21.3 | 4.79 | 30.9% |
| Sep-12 | 1.75 | 18.2 | 5.13 | 34.1% |
| Sep-13 | 1.98 | 13.1 | 5.36 | 36.9% |
| ***Sep-14*** | ***2.32*** | ***17.2*** | ***6.20*** | ***37.4%*** |
| *Sep-15* | *2.67* | *15.0* | *6.88* | *38.8%* |
| *Sep-16* | *2.99* | *12.0* | *7.53* | *39.7%* |
| *Sep-17* | *3.29* | *10.0* | *8.20* | *40.1%* |
| *Sep-18* | *3.55* | *8.0* | *8.89* | *39.9%* |

Light green shading denotes a dividend increase, while light red shading denotes a dividend decrease. Heavy green shading denotes a significant dividend increase, while heavy red shading denotes a significant dividend decrease or an excessive payout ratio. NA = Not Applicable.

To view our full 16-page equity report on Rockwell Automation, please visit our website at www.valuentum.com



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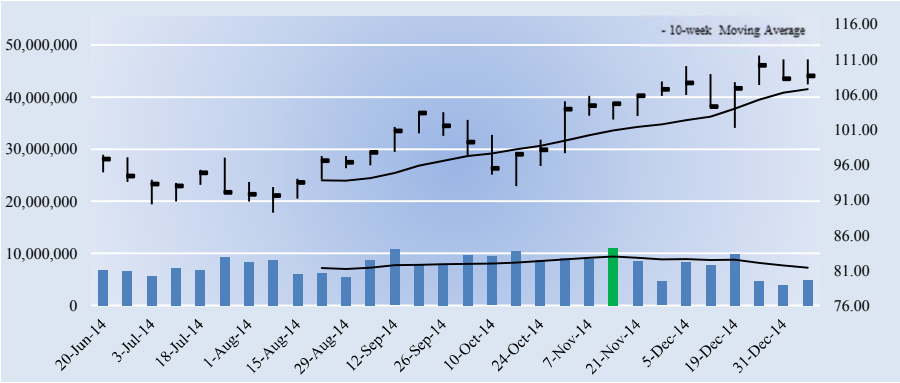
# Raytheon RTN FAIRLY VALUED

**Buying Index™** 6 **Value Rating**

| Economic Castle | Stock Fair Value Range | Dividend Track Record | Dividend Safety / Cushion™ | Div Growth Potential | Dividend Yield |
|---|---|---|---|---|---|
| Highest Rated | $74.00 - $110.00 | HEALTHY | EXCELLENT / 2.8 | EXCELLENT | 2.23% |

## Raytheon has a nice combination of yield and dividend growth.

### Stock Chart (weekly)




### Company Vitals

| | |
|---|---|
| Market Cap (USD) | $35,211 |
| Avg Weekly Vol (30 wks) | 7,753 |
| 30-week Range (USD) | 89.17 - 111.47 |
| Valuentum Sector | Industrials |
| Last Fiscal Year Revenue | 23,706 |
| Last Fiscal Year EPS | 5.96 |
| Last Fiscal Year EBITDA | 3,383 |
| Forward Revenue Growth (5-yr) | 0.0% |
| Forward EPS Growth (5-yr) | 8.2% |

### Dividend Vitals

| | |
|---|---|
| Current Annual Dividend Yield % | 2.2% |
| Annual Dividends Per Share | 2.42 |
| Forward Dividend Payout Ratio | 34.8% |
| 3-yr Historical Dividend CAGR | 6.6% |
| 15-yr Historical Dividend CAGR | NA |
| 3-yr Hist Median Div Payout Ratio | 36.9% |
| 15-yr Hist Median Div Payout Ratio | 35.4% |

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

### Initial Annual Income Per Investment ($)

| # of Shares | Investment ($) | Annual Div's ($) |
|---|---|---|
| 25 | 2,715.25 | 60.50 |
| 50 | 5,430.50 | 121.00 |
| 100 | 10,861.00 | 242.00 |
| 200 | 21,722.00 | 484.00 |
| 300 | 32,583.00 | 726.00 |
| 400 | 43,444.00 | 968.00 |
| 500 | 54,305.00 | 1,210.00 |
| 1,000 | 108,610.00 | 2,420.00 |
| 2,000 | 217,220.00 | 4,840.00 |
| 5,000 | 543,050.00 | 12,100.00 |
| 10,000 | 1,086,100.00 | 24,200.00 |
| 50,000 | 5,430,500.00 | 121,000.00 |
| 100,000 | 10,861,000 | 242,000.00 |

Initial annual income is based on the firm's current forward annual dividend yield and could be subject to change.

### Dividend Safety / Cushion — EXCELLENT / 2.8

We assess the safety of a firm's dividend by adding the company's net cash to our forecast of its free cash flows over the next five years. We then divide that sum by the total expected dividends over the next five years. This process results in our Dividend Cushion™ ratio. A Dividend Cushion™ above 1 indicates a firm can cover its future dividends with net cash on hand and future free cash flow, while a score below 1 signals trouble may be on the horizon. And by extension, the greater the score, the safer the dividend, as excess cash can be used to offset any unexpected earnings shortfall. Raytheon scores a 2.8 on our Dividend Cushion™, which is EXCELLENT.

### Dividend Growth Potential — EXCELLENT

We judge the future potential growth of the dividend by evaluating the capacity for future increases, as measured by the Dividend Cushion™, and management's willingness to consistently raise the dividend, as measured by the firm's dividend track record. Raytheon registers an EXCELLENT rating on our scale, and we think the firm's annual dividend will be $3.32 per share within the next several years.

### Risk of Capital Loss — MEDIUM

We assess the risk of capital loss based on our analysis of a firm's intrinsic value at this point in time. If the stock is undervalued (based on our DCF process), we think the risk of failing to recoup one's original capital investment (ex dividends) is relatively LOW. If the stock is fairly valued (it falls within our fair value estimate range), we think the likelihood of losing capital (ex dividends) is MEDIUM. If the stock is trading above our estimate of its intrinsic value, we think the likelihood of losing at least a portion of one's original investment (ex dividends) is HIGH. Raytheon registers a score of MEDIUM on our scale.

### Key Dividend Considerations

| | |
|---|---|
| Current Annual Dividend Yield | **2.23%** |
| Annual Dividends per Share | **$2.42** |
| Initial Annual Div's Paid, $10k Investment | **$222.82** |
| Dividend Track Record | **HEALTHY** |
| Dividend Safety | **EXCELLENT** |
| Valuentum Dividend Cushion™ | **2.8** |
| Dividend Growth Potential | **EXCELLENT** |
| Risk of Capital Loss | **MEDIUM** |
| ValueRisk™ (Equity Margin of Safety) | **LOW** |

The Valuentum Dividend Cushion is a ratio that compares the firm's excess cash and cash flow to its future dividend stream. A score above 1 indicates cash flow is sufficient to cover future dividends (higher is better).

### Dividend Strength

| Dividend Safety \ Dividend Growth | Very Poor | Poor | Good | Excellent |
|---|---|---|---|---|
| Excellent | | | | |
| Good | | | | |
| Poor | | | | |
| Very Poor | | | | |

Firms that have safe and growing dividends score at the top right of our scale.

### Dividend Track Record — HEALTHY

| Fiscal Year | Div's/Share ($) | Div Growth % | EPS ($) | Payout Ratio |
|---|---|---|---|---|
| Dec-99 | NA | 0.0 | 1.34 | 0.0% |
| Dec-00 | NA | 0.0 | 1.46 | 0.0% |
| Dec-01 | NA | 0.0 | 0.01 | 0.0% |
| Dec-02 | 0.80 | 0.0 | 1.85 | 43.2% |
| Dec-03 | 0.80 | 0.0 | 1.29 | 62.0% |
| Dec-04 | 0.80 | 0.0 | 0.99 | 80.8% |
| Dec-05 | 0.86 | 7.5 | 2.08 | 41.3% |
| Dec-06 | 0.94 | 9.3 | 2.46 | 38.2% |
| Dec-07 | 1.01 | 7.4 | 3.80 | 26.6% |
| Dec-08 | 1.12 | 10.9 | 3.95 | 28.4% |
| Dec-09 | 1.24 | 10.7 | 4.89 | 25.4% |
| Dec-10 | 1.62 | 30.6 | 4.79 | 33.8% |
| Dec-11 | 2.00 | 23.5 | 5.28 | 37.9% |
| Dec-12 | 2.00 | 0.0 | 5.65 | 35.4% |
| Dec-13 | 2.20 | 10.0 | 5.96 | 36.9% |
| ***Dec-14*** | ***2.42*** | ***10.0*** | ***6.96*** | ***34.8%*** |
| *Dec-15* | *2.64* | *9.0* | *7.04* | *37.5%* |
| *Dec-16* | *2.85* | *8.0* | *7.50* | *38.0%* |
| *Dec-17* | *3.08* | *8.0* | *8.09* | *38.0%* |
| *Dec-18* | *3.32* | *8.0* | *8.83* | *37.6%* |

Light green shading denotes a dividend increase, while light red shading denotes a dividend decrease. Heavy green shading denotes a significant dividend increase, while heavy red shading denotes a significant dividend decrease or an excessive payout ratio. NA = Not Applicable.

To view our full 16-page equity report on Raytheon, please visit our website at www.valuentum.com



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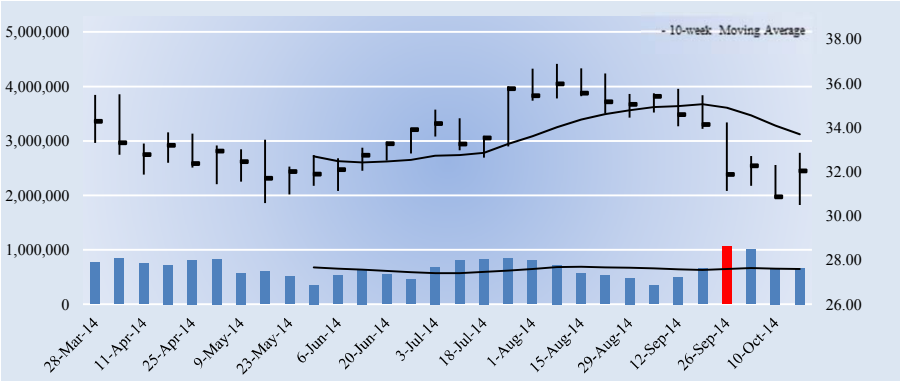
# Scholastic Corp SCHL UNDERVALUED 6.2%

**Buying Index™** 3 **Value Rating** ✓

| Economic Castle | Stock Fair Value Range | Dividend Track Record | Dividend Safety / Cushion™ | Div Growth Potential | Dividend Yield |
|---|---|---|---|---|---|
| Attractive | $34.00 - $50.00 | HEALTHY | EXCELLENT / 5.3 | EXCELLENT | 1.87% |

## Scholastic Corp has a very strong dividend.

### Stock Chart (weekly)




### Key Dividend Considerations

| | |
|---|---|
| Current Annual Dividend Yield | **1.87%** |
| Annual Dividends per Share | **$0.60** |
| Initial Annual Div's Paid, $10k Investment | **$187.32** |
| Dividend Track Record | **HEALTHY** |
| Dividend Safety | **EXCELLENT** |
| Valuentum Dividend Cushion™ | **5.3** |
| Dividend Growth Potential | **EXCELLENT** |
| Risk of Capital Loss | **LOW** |
| ValueRisk™ (Equity Margin of Safety) | **LOW** |

The Valuentum Dividend Cushion is a ratio that compares the firm's excess cash and cash flow to its future dividend stream. A score above 1 indicates cash flow is sufficient to cover future dividends (higher is better).

### Dividend Strength

| Dividend Safety \ Dividend Growth | Very Poor | Poor | Good | Excellent |
|---|---|---|---|---|
| Excellent | | | | |
| Good | | | | |
| Poor | | | | |
| Very Poor | | | | |

Firms that have safe and growing dividends score at the top right of our scale.

### Company Vitals

| | |
|---|---|
| Market Cap (USD) | $1,041 |
| Avg Weekly Vol (30 wks) | 668 |
| 30-week Range (USD) | 30.49 - 36.87 |
| Valuentum Sector | Consumer Discretionary |
| Last Fiscal Year Revenue | 1,822 |
| Last Fiscal Year EPS | 1.36 |
| Last Fiscal Year EBITDA | 231 |
| Forward Revenue Growth (5-yr) | 2.9% |
| Forward EPS Growth (5-yr) | 11.8% |

### Dividend Vitals

| | |
|---|---|
| Current Annual Dividend Yield % | 1.9% |
| Annual Dividends Per Share | 0.60 |
| Forward Dividend Payout Ratio | 29.3% |
| 3-yr Historical Dividend CAGR | 10.1% |
| 15-yr Historical Dividend CAGR | NA |
| 3-yr Hist Median Div Payout Ratio | 42.6% |
| 15-yr Hist Median Div Payout Ratio | 0.0% |

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

### Initial Annual Income Per Investment ($)

| # of Shares | Investment ($) | Annual Div's ($) |
|---|---|---|
| 25 | 800.75 | 15.00 |
| 50 | 1,601.50 | 30.00 |
| 100 | 3,203.00 | 60.00 |
| 200 | 6,406.00 | 120.00 |
| 300 | 9,609.00 | 180.00 |
| 400 | 12,812.00 | 240.00 |
| 500 | 16,015.00 | 300.00 |
| 1,000 | 32,030.00 | 600.00 |
| 2,000 | 64,060.00 | 1,200.00 |
| 5,000 | 160,150.00 | 3,000.00 |
| 10,000 | 320,300.00 | 6,000.00 |
| 50,000 | 1,601,500.00 | 30,000.00 |
| 100,000 | 3,203,000.00 | 60,000.00 |

Initial annual income is based on the firm's current forward annual dividend yield and could be subject to change.

### Dividend Safety / Cushion — EXCELLENT / 5.3

We assess the safety of a firm's dividend by adding the company's net cash to our forecast of its free cash flows over the next five years. We then divide that sum by the total expected dividends over the next five years. This process results in our Dividend Cushion™ ratio. A Dividend Cushion™ above 1 indicates a firm can cover its future dividends with net cash on hand and future free cash flow, while a score below 1 signals trouble may be on the horizon. And by extension, the greater the score, the safer the dividend, as excess cash can be used to offset any unexpected earnings shortfall. Scholastic Corp scores a 5.3 on our Dividend Cushion™, which is EXCELLENT.

### Dividend Growth Potential — EXCELLENT

We judge the future potential growth of the dividend by evaluating the capacity for future increases, as measured by the Dividend Cushion™, and management's willingness to consistently raise the dividend, as measured by the firm's dividend track record. Scholastic Corp registers an EXCELLENT rating on our scale, and we think the firm's annual dividend will be $0.85 per share within the next several years.

### Risk of Capital Loss — LOW

We assess the risk of capital loss based on our analysis of a firm's intrinsic value at this point in time. If the stock is undervalued (based on our DCF process), we think the risk of failing to recoup one's original capital investment (ex dividends) is relatively LOW. If the stock is fairly valued (it falls within our fair value estimate range), we think the likelihood of losing capital (ex dividends) is MEDIUM. If the stock is trading above our estimate of its intrinsic value, we think the likelihood of losing at least a portion of one's original investment (ex dividends) is HIGH. Scholastic Corp registers a score of LOW on our scale.

### Dividend Track Record — HEALTHY

| Fiscal Year | Div's/Share ($) | Div Growth % | EPS ($) | Payout Ratio |
|---|---|---|---|---|
| NA | 0.00 | 0.0 | 1.48 | 0.0% |
| May-01 | 0.00 | 0.0 | 1.01 | 0.0% |
| May-02 | 0.00 | 0.0 | 2.51 | 0.0% |
| May-03 | 0.00 | 0.0 | 1.46 | 0.0% |
| May-04 | 0.00 | 0.0 | 1.46 | 0.0% |
| May-05 | 0.00 | 0.0 | 1.58 | 0.0% |
| May-06 | 0.00 | 0.0 | 1.63 | 0.0% |
| May-07 | 0.00 | 0.0 | 1.42 | 0.0% |
| May-08 | 0.00 | 0.0 | 2.82 | 0.0% |
| May-09 | 0.23 | 0.0 | 0.35 | 65.7% |
| May-10 | 0.30 | 30.4 | 1.59 | 18.9% |
| May-11 | 0.35 | 16.7 | 1.29 | 27.1% |
| May-12 | 0.45 | 28.6 | 3.41 | 13.2% |
| May-13 | 0.50 | 11.1 | 1.10 | 45.5% |
| May-14 | 0.58 | 16.0 | 1.36 | 42.6% |
| ***May-15*** | ***0.60*** | ***3.4*** | ***2.05*** | ***29.3%*** |
| *May-16* | *0.66* | *10.0* | *2.33* | *28.3%* |
| *May-17* | *0.73* | *10.0* | *2.38* | *30.6%* |
| *May-18* | *0.78* | *8.0* | *2.39* | *32.8%* |
| *May-19* | *0.85* | *8.0* | *2.38* | *35.5%* |

Light green shading denotes a dividend increase, while light red shading denotes a dividend decrease. Heavy green shading denotes a significant dividend increase, while heavy red shading denotes a significant dividend decrease or an excessive payout ratio. NA = Not Applicable.

To view our full 16-page equity report on Scholastic Corp, please visit our website at www.valuentum.com



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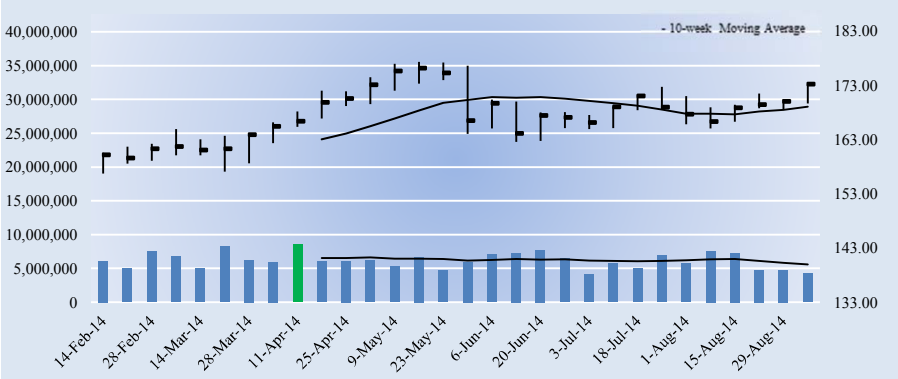
# Simon Property SPG FAIRLY VALUED

**Buying Index™** 6 **Value Rating**

| Economic Castle | Stock Fair Value Range | Dividend Track Record | Dividend Safety / Cushion™ | Div Growth Potential | Dividend Yield |
|---|---|---|---|---|---|
| Attractive | $116.00 - $174.00 | RISKY | GOOD / 2.1 | GOOD | 3.00% |

## Simon Property's dividend is dependent on the healthy functioning of the capital markets.

### Stock Chart (weekly)




### Key Dividend Considerations

| | |
|---|---|
| Current Annual Dividend Yield | **3.00%** |
| Annual Dividends per Share | **$5.20** |
| Initial Annual Div's Paid, $10k Investment | **$300.27** |
| Dividend Track Record | **RISKY** |
| Dividend Safety | **GOOD** |
| Valuentum Dividend Cushion™ | **2.1** |
| Dividend Growth Potential | **GOOD** |
| Risk of Capital Loss | **MEDIUM** |
| ValueRisk™ (Equity Margin of Safety) | **LOW** |

The Valuentum Dividend Cushion is a ratio that compares the firm's excess cash and cash flow to its future dividend stream. A score above 1 indicates cash flow is sufficient to cover future dividends (higher is better).

### Dividend Strength

| Dividend Safety \ Dividend Growth | Very Poor | Poor | Good | Excellent |
|---|---|---|---|---|
| Excellent | | | | |
| Good | | | ■ | |
| Poor | | | | |
| Very Poor | | | | |

Firms that have safe and growing dividends score at the top right of our scale.

### Company Vitals

| | |
|---|---|
| Market Cap (USD) | $53,730 |
| Avg Weekly Vol (30 wks) | 6,161 |
| 30-week Range (USD) | 156.7 - 177.31 |
| Valuentum Sector | Financials |
| Last Fiscal Year Revenue | 5,170 |
| Last Fiscal Year EPS | 5.00 |
| Last Fiscal Year EBITDA | 3,706 |
| Forward Revenue Growth (5-yr) | 2.7% |
| Forward EPS Growth (5-yr) | 17.6% |

### Dividend Vitals

| | |
|---|---|
| Current Annual Dividend Yield % | 3.0% |
| Annual Dividends Per Share | 5.20 |
| Forward Dividend Payout Ratio | 56.1% |
| 3-yr Historical Dividend CAGR | 14.1% |
| 15-yr Historical Dividend CAGR | 6.5% |
| 3-yr Hist Median Div Payout Ratio | 100.6% |
| 15-yr Hist Median Div Payout Ratio | 156.9% |

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

### Initial Annual Income Per Investment ($)

| # of Shares | Investment ($) | Annual Div's ($) |
|---|---|---|
| 25 | 4,329.50 | 130.00 |
| 50 | 8,659.00 | 260.00 |
| 100 | 17,318.00 | 520.00 |
| 200 | 34,636.00 | 1,040.00 |
| 300 | 51,954.00 | 1,560.00 |
| 400 | 69,272.00 | 2,080.00 |
| 500 | 86,590.00 | 2,600.00 |
| 1,000 | 173,180.00 | 5,200.00 |
| 2,000 | 346,360.00 | 10,400.00 |
| 5,000 | 865,900.00 | 26,000.00 |
| 10,000 | 1,731,800.00 | 52,000.00 |
| 50,000 | 8,659,000.00 | 260,000.00 |
| 100,000 | 17,318,000 | 520,000.00 |

Initial annual income is based on the firm's current forward annual dividend yield and could be subject to change.

### Dividend Safety / Cushion — GOOD / 2.1

We assess the safety of a firm's dividend by adding the company's net cash to our forecast of its free cash flows over the next five years. We then divide that sum by the total expected dividends over the next five years. This process results in our Dividend Cushion™ ratio. A Dividend Cushion™ above 1 indicates a firm can cover its future dividends with net cash on hand and future free cash flow, while a score below 1 signals trouble may be on the horizon. And by extension, the greater the score, the safer the dividend, as excess cash can be used to offset any unexpected earnings shortfall. Simon Property scores a 2.1 on our Dividend Cushion™, which is GOOD.

### Dividend Growth Potential — GOOD

We judge the future potential growth of the dividend by evaluating the capacity for future increases, as measured by the Dividend Cushion™, and management's willingness to consistently raise the dividend, as measured by the firm's dividend track record. Simon Property registers an GOOD rating on our scale, and we think the firm's annual dividend will be $7.6 per share within the next several years.

### Risk of Capital Loss — MEDIUM

We assess the risk of capital loss based on our analysis of a firm's intrinsic value at this point in time. If the stock is undervalued (based on our DCF process), we think the risk of failing to recoup one's original capital investment (ex dividends) is relatively LOW. If the stock is fairly valued (it falls within our fair value estimate range), we think the likelihood of losing capital (ex dividends) is MEDIUM. If the stock is trading above our estimate of its intrinsic value, we think the likelihood of losing at least a portion of one's original investment (ex dividends) is HIGH. Simon Property registers a score of MEDIUM on our scale.

### Dividend Track Record — RISKY

| Fiscal Year | Div's/Share ($) | Div Growth % | EPS ($) | Payout Ratio |
|---|---|---|---|---|
| Dec-99 | 2.02 | 0.0 | 1.00 | 202.0% |
| Dec-00 | 2.02 | 0.0 | 1.16 | 174.1% |
| Dec-01 | 2.08 | 3.0 | 0.86 | 241.9% |
| Dec-02 | 2.18 | 4.8 | 1.93 | 113.0% |
| Dec-03 | 2.40 | 10.1 | 1.53 | 156.9% |
| Dec-04 | 2.60 | 8.3 | 1.44 | 180.6% |
| Dec-05 | 2.80 | 7.7 | 1.27 | 220.5% |
| Dec-06 | 3.04 | 8.6 | 2.19 | 138.8% |
| Dec-07 | 3.36 | 10.5 | 2.08 | 161.5% |
| Dec-08 | 3.60 | 7.1 | 1.87 | 192.5% |
| Dec-09 | 1.52 | -57.8 | 1.05 | 144.8% |
| Dec-10 | 2.60 | 71.1 | 2.10 | 123.8% |
| Dec-11 | 3.50 | 34.6 | 3.48 | 100.6% |
| Dec-12 | 4.10 | 17.1 | 4.72 | 86.9% |
| Dec-13 | 4.65 | 13.4 | 4.24 | 109.7% |
| ***Dec-14*** | ***5.20*** | ***11.8*** | ***9.26*** | ***56.1%*** |
| *Jan-16* | *5.98* | *15.0* | *9.75* | *61.4%* |
| *Dec-16* | *6.70* | *12.0* | *10.08* | *66.4%* |
| *Dec-17* | *7.23* | *8.0* | *10.57* | *68.4%* |
| *Dec-18* | *7.60* | *5.0* | *11.23* | *67.6%* |

Light green shading denotes a dividend increase, while light red shading denotes a dividend decrease. Heavy green shading denotes a significant dividend increase, while heavy red shading denotes a significant dividend decrease or an excessive payout ratio. NA = Not Applicable.

To view our full 16-page equity report on Simon Property, please visit our website at www.valuentum.com



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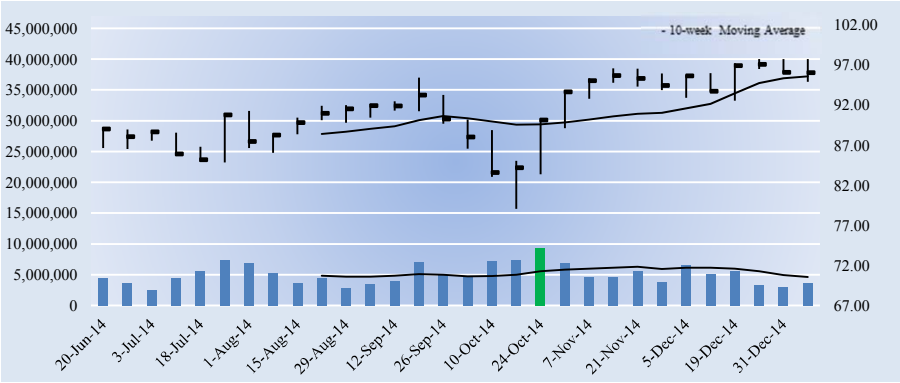
# Stanley SWK FAIRLY VALUED

**Buying Index™** 7 **Value Rating**

| Economic Castle | Stock Fair Value Range | Dividend Track Record | Dividend Safety / Cushion™ | Div Growth Potential | Dividend Yield |
|---|---|---|---|---|---|
| Attractive | $70.00 - $104.00 | HEALTHY | GOOD / 1.4 | EXCELLENT | 2.17% |

**Stanley has an impressive dividend track record of increases.**

## Stock Chart (weekly)




## Company Vitals

| | |
|---|---|
| Market Cap (USD) | $15,246 |
| Avg Weekly Vol (30 wks) | 5,089 |
| 30-week Range (USD) | 79.03 - 97.72 |
| Valuentum Sector | Industrials |
| Last Fiscal Year Revenue | 11,001 |
| Last Fiscal Year EPS | 3.26 |
| Last Fiscal Year EBITDA | 1,675 |
| Forward Revenue Growth (5-yr) | 3.4% |
| Forward EPS Growth (5-yr) | 21.3% |

## Dividend Vitals

| | |
|---|---|
| Current Annual Dividend Yield % | 2.2% |
| Annual Dividends Per Share | 2.08 |
| Forward Dividend Payout Ratio | 36.9% |
| 3-yr Historical Dividend CAGR | 8.2% |
| 15-yr Historical Dividend CAGR | 6.0% |
| 3-yr Hist Median Div Payout Ratio | 60.7% |
| 15-yr Hist Median Div Payout Ratio | 46.1% |

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

## Initial Annual Income Per Investment ($)

| # of Shares | Investment ($) | Annual Div's ($) |
|---|---|---|
| 25 | 2,400.50 | 52.00 |
| 50 | 4,801.00 | 104.00 |
| 100 | 9,602.00 | 208.00 |
| 200 | 19,204.00 | 416.00 |
| 300 | 28,806.00 | 624.00 |
| 400 | 38,408.00 | 832.00 |
| 500 | 48,010.00 | 1,040.00 |
| 1,000 | 96,020.00 | 2,080.00 |
| 2,000 | 192,040.00 | 4,160.00 |
| 5,000 | 480,100.00 | 10,400.00 |
| 10,000 | 960,200.00 | 20,800.00 |
| 50,000 | 4,801,000.00 | 104,000.00 |
| 100,000 | 9,602,000.00 | 208,000.00 |

Initial annual income is based on the firm's current forward annual dividend yield and could be subject to change.

## Dividend Safety / Cushion — GOOD / 1.4

We assess the safety of a firm's dividend by adding the company's net cash to our forecast of its free cash flows over the next five years. We then divide that sum by the total expected dividends over the next five years. This process results in our Dividend Cushion™ ratio. A Dividend Cushion™ above 1 indicates a firm can cover its future dividends with net cash on hand and future free cash flow, while a score below 1 signals trouble may be on the horizon. And by extension, the greater the score, the safer the dividend, as excess cash can be used to offset any unexpected earnings shortfall. Stanley scores a 1.4 on our Dividend Cushion™, which is GOOD.

## Dividend Growth Potential — EXCELLENT

We judge the future potential growth of the dividend by evaluating the capacity for future increases, as measured by the Dividend Cushion™, and management's willingness to consistently raise the dividend, as measured by the firm's dividend track record. Stanley registers an EXCELLENT rating on our scale, and we think the firm's annual dividend will be $2.53 per share within the next several years.

## Risk of Capital Loss — MEDIUM

We assess the risk of capital loss based on our analysis of a firm's intrinsic value at this point in time. If the stock is undervalued (based on our DCF process), we think the risk of failing to recoup one's original capital investment (ex dividends) is relatively LOW. If the stock is fairly valued (it falls within our fair value estimate range), we think the likelihood of losing capital (ex dividends) is MEDIUM. If the stock is trading above our estimate of its intrinsic value, we think the likelihood of losing at least a portion of one's original investment (ex dividends) is HIGH. Stanley registers a score of MEDIUM on our scale.

## Key Dividend Considerations

| | |
|---|---|
| Current Annual Dividend Yield | **2.17%** |
| Annual Dividends per Share | **$2.08** |
| Initial Annual Div's Paid, $10k Investment | **$216.62** |
| Dividend Track Record | **HEALTHY** |
| Dividend Safety | **GOOD** |
| Valuentum Dividend Cushion™ | **1.4** |
| Dividend Growth Potential | **EXCELLENT** |
| Risk of Capital Loss | **MEDIUM** |
| ValueRisk™ (Equity Margin of Safety) | **LOW** |

The Valuentum Dividend Cushion is a ratio that compares the firm's excess cash and cash flow to its future dividend stream. A score above 1 indicates cash flow is sufficient to cover future dividends (higher is better).

## Dividend Strength

| Dividend Safety \ Dividend Growth | Very Poor | Poor | Good | Excellent |
|---|---|---|---|---|
| Excellent | | | | |
| Good | | | | ■ |
| Poor | | | | |
| Very Poor | | | | |

Firms that have safe and growing dividends score at the top right of our scale.

## Dividend Track Record — HEALTHY

| Fiscal Year | Div's/Share ($) | Div Growth % | EPS ($) | Payout Ratio |
|---|---|---|---|---|
| Dec-99 | 0.87 | 0.0 | 1.67 | 52.1% |
| Dec-00 | 0.90 | 3.4 | 2.22 | 40.5% |
| Dec-01 | 0.94 | 4.4 | 1.81 | 51.9% |
| Dec-02 | 0.99 | 5.3 | 2.10 | 47.1% |
| Dec-03 | 1.03 | 4.0 | 1.14 | 90.4% |
| Dec-04 | 1.08 | 4.9 | 2.85 | 37.9% |
| Dec-05 | 1.14 | 5.6 | 3.18 | 35.8% |
| Dec-06 | 1.18 | 3.5 | 3.47 | 34.0% |
| Dec-07 | 1.22 | 3.4 | 4.00 | 30.5% |
| Dec-08 | 1.26 | 3.3 | 2.82 | 44.7% |
| Dec-09 | 1.30 | 3.2 | 2.82 | 46.1% |
| Dec-10 | 1.34 | 3.1 | 1.32 | 101.5% |
| Dec-11 | 1.64 | 22.4 | 4.06 | 40.4% |
| Dec-12 | 1.80 | 9.8 | 2.70 | 66.7% |
| Dec-13 | 1.98 | 10.0 | 3.26 | 60.7% |
| ***Dec-14*** | ***2.08*** | ***5.1*** | ***5.64*** | ***36.9%*** |
| *Dec-15* | *2.18* | *5.0* | *6.21* | *35.2%* |
| *Dec-16* | *2.29* | *5.0* | *6.97* | *32.9%* |
| *Dec-17* | *2.41* | *5.0* | *7.76* | *31.0%* |
| *Dec-18* | *2.53* | *5.0* | *8.57* | *29.5%* |

Light green shading denotes a dividend increase, while light red shading denotes a dividend decrease. Heavy green shading denotes a significant dividend increase, while heavy red shading denotes a significant dividend decrease or an excessive payout ratio. NA = Not Applicable.

To view our full 16-page equity report on Stanley, please visit our website at www.valuentum.com



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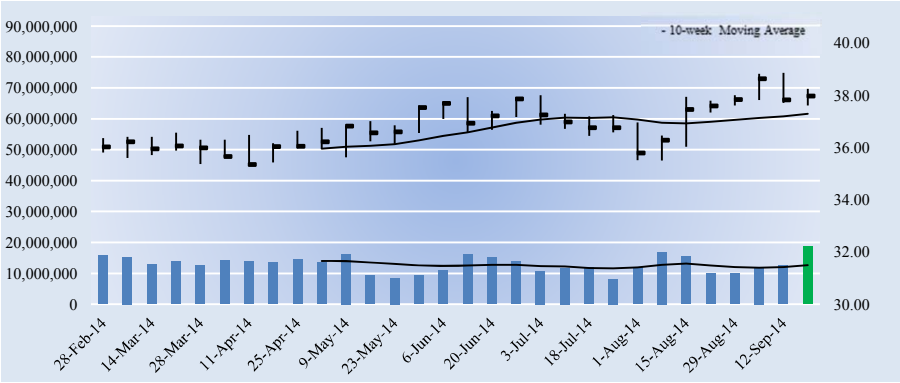
# Sysco SYY FAIRLY VALUED

**Buying Index™** 6 **Value Rating**

| Economic Castle | Stock Fair Value Range | Dividend Track Record | Dividend Safety / Cushion™ | Div Growth Potential | Dividend Yield |
|---|---|---|---|---|---|
| Attractive | $33.00 - $49.00 | RISKY | GOOD / 1.5 | GOOD | 3.06% |

**Sysco's Valuentum Dividend Cushion score is above 1, indicating both safety and growth potential.**

## Stock Chart (weekly)




## Company Vitals

| | |
|---|---|
| Market Cap (USD) | $22,411 |
| Avg Weekly Vol (30 wks) | 12,953 |
| 30-week Range (USD) | 35.31 - 38.85 |
| Valuentum Sector | Consumer Staples |
| Last Fiscal Year Revenue | 46,517 |
| Last Fiscal Year EPS | 1.58 |
| Last Fiscal Year EBITDA | 2,143 |
| Forward Revenue Growth (5-yr) | 5.6% |
| Forward EPS Growth (5-yr) | 19.1% |

## Dividend Vitals

| | |
|---|---|
| Current Annual Dividend Yield % | 3.1% |
| Annual Dividends Per Share | 1.16 |
| Forward Dividend Payout Ratio | 60.8% |
| 3-yr Historical Dividend CAGR | 13.2% |
| 15-yr Historical Dividend CAGR | NA |
| 3-yr Hist Median Div Payout Ratio | 64.7% |
| 15-yr Hist Median Div Payout Ratio | 45.0% |

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

## Initial Annual Income Per Investment ($)

| # of Shares | Investment ($) | Annual Div's ($) |
|---|---|---|
| 25 | 949.25 | 29.00 |
| 50 | 1,898.50 | 58.00 |
| 100 | 3,797.00 | 116.00 |
| 200 | 7,594.00 | 232.00 |
| 300 | 11,391.00 | 348.00 |
| 400 | 15,188.00 | 464.00 |
| 500 | 18,985.00 | 580.00 |
| 1,000 | 37,970.00 | 1,160.00 |
| 2,000 | 75,940.00 | 2,320.00 |
| 5,000 | 189,850.00 | 5,800.00 |
| 10,000 | 379,700.00 | 11,600.00 |
| 50,000 | 1,898,500.00 | 58,000.00 |
| 100,000 | 3,797,000.00 | 116,000.00 |

Initial annual income is based on the firm's current forward annual dividend yield and could be subject to change.

## Dividend Safety / Cushion — GOOD / 1.5

We assess the safety of a firm's dividend by adding the company's net cash to our forecast of its free cash flows over the next five years. We then divide that sum by the total expected dividends over the next five years. This process results in our Dividend Cushion™ ratio. A Dividend Cushion™ above 1 indicates a firm can cover its future dividends with net cash on hand and future free cash flow, while a score below 1 signals trouble may be on the horizon. And by extension, the greater the score, the safer the dividend, as excess cash can be used to offset any unexpected earnings shortfall. Sysco scores a 1.5 on our Dividend Cushion™, which is GOOD.

## Dividend Growth Potential — GOOD

We judge the future potential growth of the dividend by evaluating the capacity for future increases, as measured by the Dividend Cushion™, and management's willingness to consistently raise the dividend, as measured by the firm's dividend track record. Sysco registers an GOOD rating on our scale, and we think the firm's annual dividend will be $1.36 per share within the next several years.

## Risk of Capital Loss — MEDIUM

We assess the risk of capital loss based on our analysis of a firm's intrinsic value at this point in time. If the stock is undervalued (based on our DCF process), we think the risk of failing to recoup one's original capital investment (ex dividends) is relatively LOW. If the stock is fairly valued (it falls within our fair value estimate range), we think the likelihood of losing capital (ex dividends) is MEDIUM. If the stock is trading above our estimate of its intrinsic value, we think the likelihood of losing at least a portion of one's original investment (ex dividends) is HIGH. Sysco registers a score of MEDIUM on our scale.

## Key Dividend Considerations

| | |
|---|---|
| Current Annual Dividend Yield | **3.06%** |
| Annual Dividends per Share | **$1.16** |
| Initial Annual Div's Paid, $10k Investment | **$305.50** |
| Dividend Track Record | **RISKY** |
| Dividend Safety | **GOOD** |
| Valuentum Dividend Cushion™ | **1.5** |
| Dividend Growth Potential | **GOOD** |
| Risk of Capital Loss | **MEDIUM** |
| ValueRisk™ (Equity Margin of Safety) | **LOW** |

The Valuentum Dividend Cushion is a ratio that compares the firm's excess cash and cash flow to its future dividend stream. A score above 1 indicates cash flow is sufficient to cover future dividends (higher is better).

## Dividend Strength

| Dividend Safety \ Dividend Growth | Very Poor | Poor | Good | Excellent |
|---|---|---|---|---|
| Excellent | | | | |
| Good | | | ■ | |
| Poor | | | | |
| Very Poor | | | | |

Firms that have safe and growing dividends score at the top right of our scale.

## Dividend Track Record — RISKY

| Fiscal Year | Div's/Share ($) | Div Growth % | EPS ($) | Payout Ratio |
|---|---|---|---|---|
| Jun-00 | NA | 0.0 | 0.68 | 0.0% |
| Jun-01 | NA | 0.0 | 0.88 | 0.0% |
| Jun-02 | 0.32 | 0.0 | 1.01 | 31.7% |
| Jun-03 | 0.40 | 25.0 | 1.18 | 33.9% |
| Jun-04 | 0.48 | 20.0 | 1.37 | 35.0% |
| Jun-05 | 0.56 | 16.7 | 1.47 | 38.1% |
| Jun-06 | 0.64 | 14.3 | 1.35 | 47.4% |
| Jun-07 | 0.72 | 12.5 | 1.60 | 45.0% |
| Jun-08 | 0.82 | 13.9 | 1.81 | 45.3% |
| Jun-09 | 1.16 | 41.5 | 1.77 | 65.5% |
| Jun-10 | 0.90 | -22.4 | 1.99 | 45.2% |
| Jun-11 | 0.99 | 10.0 | 1.96 | 50.5% |
| Jun-12 | 0.80 | -19.2 | 1.90 | 42.1% |
| Jun-13 | 1.08 | 35.0 | 1.67 | 64.7% |
| Jun-14 | 1.14 | 5.6 | 1.58 | 72.2% |
| ***Jun-15*** | ***1.16*** | ***1.8*** | ***1.91*** | ***60.8%*** |
| *Jun-16* | *1.21* | *4.0* | *2.05* | *58.8%* |
| *Jun-17* | *1.25* | *4.0* | *2.60* | *48.2%* |
| *Jun-18* | *1.30* | *4.0* | *3.19* | *40.9%* |
| *Jun-19* | *1.36* | *4.0* | *3.78* | *35.9%* |

Light green shading denotes a dividend increase, while light red shading denotes a dividend decrease. Heavy green shading denotes a significant dividend increase, while heavy red shading denotes a significant dividend decrease or an excessive payout ratio. NA = Not Applicable.

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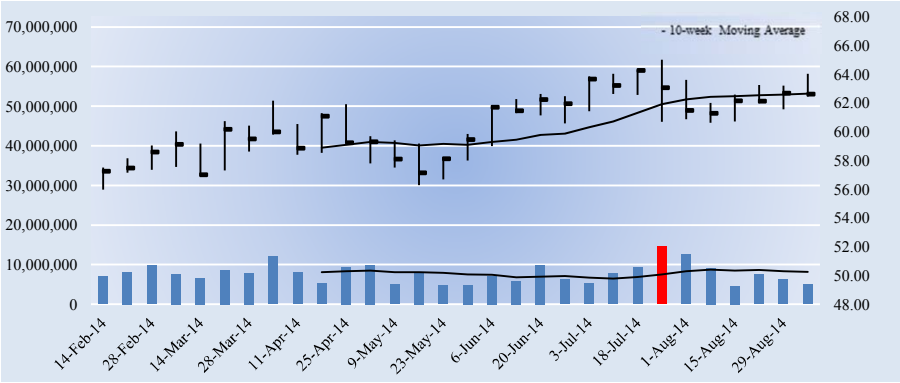
# TE Connectivity TEL FAIRLY VALUED

**Buying Index™** 6 **Value Rating**

| Economic Castle | Stock Fair Value Range | Dividend Track Record | Dividend Safety / Cushion™ | Div Growth Potential | Dividend Yield |
|---|---|---|---|---|---|
| Attractive | $48.00 - $72.00 | HEALTHY | GOOD / 2.6 | EXCELLENT | 1.85% |

## TE Connectivity's dividend boasts a strong combination of safety and growth potential.

### Stock Chart (weekly)




### Key Dividend Considerations

| | |
|---|---|
| Current Annual Dividend Yield | **1.85%** |
| Annual Dividends per Share | **$1.16** |
| Initial Annual Div's Paid, $10k Investment | **$185.24** |
| Dividend Track Record | **HEALTHY** |
| Dividend Safety | **GOOD** |
| Valuentum Dividend Cushion™ | **2.6** |
| Dividend Growth Potential | **EXCELLENT** |
| Risk of Capital Loss | **MEDIUM** |
| ValueRisk™ (Equity Margin of Safety) | **LOW** |

The Valuentum Dividend Cushion is a ratio that compares the firm's excess cash and cash flow to its future dividend stream. A score above 1 indicates cash flow is sufficient to cover future dividends (higher is better).

### Dividend Strength

| Dividend Safety \ Dividend Growth | Very Poor | Poor | Good | Excellent |
|---|---|---|---|---|
| Excellent | | | | |
| Good | | | | |
| Poor | | | | |
| Very Poor | | | | |

Firms that have safe and growing dividends score at the top right of our scale.

### Company Vitals

| | |
|---|---|
| Market Cap (USD) | $26,488 |
| Avg Weekly Vol (30 wks) | 7,794 |
| 30-week Range (USD) | 55.98 - 65.01 |
| Valuentum Sector | Information Technology |
| Last Fiscal Year Revenue | 13,280 |
| Last Fiscal Year EPS | 3.02 |
| Last Fiscal Year EBITDA | 2,488 |
| Forward Revenue Growth (5-yr) | 4.8% |
| Forward EPS Growth (5-yr) | 11.7% |

### Dividend Vitals

| | |
|---|---|
| Current Annual Dividend Yield % | 1.9% |
| Annual Dividends Per Share | 1.16 |
| Forward Dividend Payout Ratio | 30.4% |
| 3-yr Historical Dividend CAGR | INF |
| 15-yr Historical Dividend CAGR | NA |
| 3-yr Hist Median Div Payout Ratio | 19.3% |
| 15-yr Hist Median Div Payout Ratio | 0.0% |

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

### Initial Annual Income Per Investment ($)

| # of Shares | Investment ($) | Annual Div's ($) |
|---|---|---|
| 25 | 1,565.50 | 29.00 |
| 50 | 3,131.00 | 58.00 |
| 100 | 6,262.00 | 116.00 |
| 200 | 12,524.00 | 232.00 |
| 300 | 18,786.00 | 348.00 |
| 400 | 25,048.00 | 464.00 |
| 500 | 31,310.00 | 580.00 |
| 1,000 | 62,620.00 | 1,160.00 |
| 2,000 | 125,240.00 | 2,320.00 |
| 5,000 | 313,100.00 | 5,800.00 |
| 10,000 | 626,200.00 | 11,600.00 |
| 50,000 | 3,131,000.00 | 58,000.00 |
| 100,000 | 6,262,000.00 | 116,000.00 |

Initial annual income is based on the firm's current forward annual dividend yield and could be subject to change.

### Dividend Safety / Cushion — GOOD / 2.6

We assess the safety of a firm's dividend by adding the company's net cash to our forecast of its free cash flows over the next five years. We then divide that sum by the total expected dividends over the next five years. This process results in our Dividend Cushion™ ratio. A Dividend Cushion™ above 1 indicates a firm can cover its future dividends with net cash on hand and future free cash flow, while a score below 1 signals trouble may be on the horizon. And by extension, the greater the score, the safer the dividend, as excess cash can be used to offset any unexpected earnings shortfall. TE Connectivity scores a 2.6 on our Dividend Cushion™, which is GOOD.

### Dividend Growth Potential — EXCELLENT

We judge the future potential growth of the dividend by evaluating the capacity for future increases, as measured by the Dividend Cushion™, and management's willingness to consistently raise the dividend, as measured by the firm's dividend track record. TE Connectivity registers an EXCELLENT rating on our scale, and we think the firm's annual dividend will be $2.05 per share within the next several years.

### Risk of Capital Loss — MEDIUM

We assess the risk of capital loss based on our analysis of a firm's intrinsic value at this point in time. If the stock is undervalued (based on our DCF process), we think the risk of failing to recoup one's original capital investment (ex dividends) is relatively LOW. If the stock is fairly valued (it falls within our fair value estimate range), we think the likelihood of losing capital (ex dividends) is MEDIUM. If the stock is trading above our estimate of its intrinsic value, we think the likelihood of losing at least a portion of one's original investment (ex dividends) is HIGH. TE Connectivity registers a score of MEDIUM on our scale.

### Dividend Track Record — HEALTHY

| Fiscal Year | Div's/Share ($) | Div Growth % | EPS ($) | Payout Ratio |
|---|---|---|---|---|
| NA | 0.00 | 0.0 | 0.00 | 0.0% |
| NA | 0.00 | 0.0 | 0.00 | 0.0% |
| NA | 0.00 | 0.0 | 0.00 | 0.0% |
| NA | 0.00 | 0.0 | 0.00 | 0.0% |
| NA | 0.00 | 0.0 | 0.00 | 0.0% |
| NA | 0.00 | 0.0 | 0.00 | 0.0% |
| NA | 0.00 | 0.0 | 0.00 | 0.0% |
| NA | 0.00 | 0.0 | 0.00 | 0.0% |
| NA | 0.00 | 0.0 | 0.00 | 0.0% |
| NA | 0.00 | 0.0 | 0.00 | 0.0% |
| NA | 0.00 | 0.0 | 0.00 | 0.0% |
| NA | 0.00 | 0.0 | 0.00 | 0.0% |
| NA | 0.00 | 0.0 | 0.00 | 0.0% |
| Sep-11 | 0.52 | 0.0 | 0.00 | 0.0% |
| Sep-12 | 0.52 | 0.0 | 2.70 | 19.3% |
| Sep-13 | 0.71 | 36.5 | 3.02 | 23.5% |
| ***Sep-14*** | ***1.16*** | ***63.4*** | ***3.82*** | ***30.4%*** |
| *Sep-15* | *1.45* | *25.0* | *4.26* | *34.0%* |
| *Sep-16* | *1.67* | *15.0* | *4.62* | *36.1%* |
| *Sep-17* | *1.87* | *12.0* | *4.95* | *37.7%* |
| *Sep-18* | *2.05* | *10.0* | *5.24* | *39.2%* |

Light green shading denotes a dividend increase, while light red shading denotes a dividend decrease. Heavy green shading denotes a significant dividend increase, while heavy red shading denotes a significant dividend decrease or an excessive payout ratio. NA = Not Applicable.

To view our full 16-page equity report on TE Connectivity, please visit our website at www.valuentum.com



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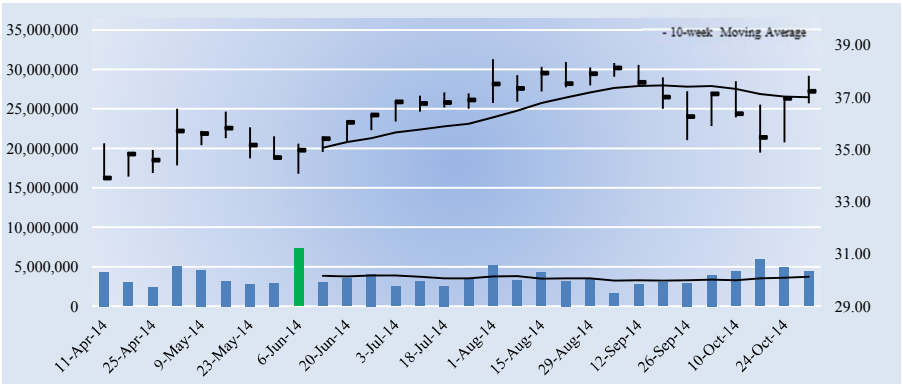
# Thomson Reuters Corp TRI FAIRLY VALUED

**Buying Index™** 7 **Value Rating**

| Economic Castle | Stock Fair Value Range | Dividend Track Record | Dividend Safety / Cushion™ | Div Growth Potential | Dividend Yield |
|---|---|---|---|---|---|
| Attractive | $27.00 - $43.00 | HEALTHY | GOOD / 1.2 | GOOD | 3.55% |

## Thomson Reuters' Dividend Cushion ratio is north of 1.

### Stock Chart (weekly)




### Key Dividend Considerations

| | |
|---|---|
| Current Annual Dividend Yield | **3.55%** |
| Annual Dividends per Share | **$1.32** |
| Initial Annual Div's Paid, $10k Investment | **$354.65** |
| Dividend Track Record | **HEALTHY** |
| Dividend Safety | **GOOD** |
| Valuentum Dividend Cushion™ | **1.2** |
| Dividend Growth Potential | **GOOD** |
| Risk of Capital Loss | **MEDIUM** |
| ValueRisk™ (Equity Margin of Safety) | **MEDIUM** |

The Valuentum Dividend Cushion is a ratio that compares the firm's excess cash and cash flow to its future dividend stream. A score above 1 indicates cash flow is sufficient to cover future dividends (higher is better).

### Dividend Strength

| Dividend Safety \ Dividend Growth | Very Poor | Poor | Good | Excellent |
|---|---|---|---|---|
| Excellent | | | | |
| Good | | | ■ | |
| Poor | | | | |
| Very Poor | | | | |

Firms that have safe and growing dividends score at the top right of our scale.

### Company Vitals

| | |
|---|---|
| Market Cap (USD) | $30,878 |
| Avg Weekly Vol (30 wks) | 3,703 |
| 30-week Range (USD) | 33.84 - 38.45 |
| Valuentum Sector | Financials |
| Last Fiscal Year Revenue | 13,278 |
| Last Fiscal Year EPS | 2.49 |
| Last Fiscal Year EBITDA | 3,516 |
| Forward Revenue Growth (5-yr) | 2.0% |
| Forward EPS Growth (5-yr) | 1.0% |

### Dividend Vitals

| | |
|---|---|
| Current Annual Dividend Yield % | 3.5% |
| Annual Dividends Per Share | 1.32 |
| Forward Dividend Payout Ratio | 69.1% |
| 3-yr Historical Dividend CAGR | 4.4% |
| 15-yr Historical Dividend CAGR | NA |
| 3-yr Hist Median Div Payout Ratio | 51.4% |
| 15-yr Hist Median Div Payout Ratio | 0.0% |

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

### Initial Annual Income Per Investment ($)

| # of Shares | Investment ($) | Annual Div's ($) |
|---|---|---|
| 25 | 930.50 | 33.00 |
| 50 | 1,861.00 | 66.00 |
| 100 | 3,722.00 | 132.00 |
| 200 | 7,444.00 | 264.00 |
| 300 | 11,166.00 | 396.00 |
| 400 | 14,888.00 | 528.00 |
| 500 | 18,610.00 | 660.00 |
| 1,000 | 37,220.00 | 1,320.00 |
| 2,000 | 74,440.00 | 2,640.00 |
| 5,000 | 186,100.00 | 6,600.00 |
| 10,000 | 372,200.00 | 13,200.00 |
| 50,000 | 1,861,000.00 | 66,000.00 |
| 100,000 | 3,722,000.00 | 132,000.00 |

Initial annual income is based on the firm's current forward annual dividend yield and could be subject to change.

### Dividend Safety / Cushion — GOOD / 1.2

We assess the safety of a firm's dividend by adding the company's net cash to our forecast of its free cash flows over the next five years. We then divide that sum by the total expected dividends over the next five years. This process results in our Dividend Cushion™ ratio. A Dividend Cushion™ above 1 indicates a firm can cover its future dividends with net cash on hand and future free cash flow, while a score below 1 signals trouble may be on the horizon. And by extension, the greater the score, the safer the dividend, as excess cash can be used to offset any unexpected earnings shortfall. Thomson Reuters Corp scores a 1.2 on the Dividend Cushion™, which is GOOD.

### Dividend Growth Potential — GOOD

We judge the future potential growth of the dividend by evaluating the capacity for future increases, as measured by the Dividend Cushion™, and management's willingness to consistently raise the dividend, as measured by the firm's dividend track record. Thomson Reuters Corp registers an GOOD rating on our scale, and we think the firm's annual dividend will be $1.49 per share within the next several years.

### Risk of Capital Loss — MEDIUM

We assess the risk of capital loss based on our analysis of a firm's intrinsic value at this point in time. If the stock is undervalued (based on our DCF process), we think the risk of failing to recoup one's original capital investment (ex dividends) is relatively LOW. If the stock is fairly valued (it falls within our fair value estimate range), we think the likelihood of losing capital (ex dividends) is MEDIUM. If the stock is trading above our estimate of its intrinsic value, we think the likelihood of losing at least a portion of one's original investment (ex dividends) is HIGH. Thomson Reuters Corp registers a score of MEDIUM on our scale.

### Dividend Track Record — HEALTHY

| Fiscal Year | Div's/Share ($) | Div Growth % | EPS ($) | Payout Ratio |
|---|---|---|---|---|
| NA | 0.00 | 0.0 | 0.00 | 0.0% |
| NA | 0.00 | 0.0 | -3.12 | 0.0% |
| Dec-00 | 0.00 | 0.0 | 0.13 | 0.0% |
| Dec-01 | 0.00 | 0.0 | 0.10 | 0.0% |
| Dec-02 | 0.00 | 0.0 | 1.89 | 0.0% |
| Dec-03 | 0.00 | 0.0 | 1.32 | 0.0% |
| Dec-04 | 0.00 | 0.0 | 1.80 | 0.0% |
| Dec-05 | 0.00 | 0.0 | 2.74 | 0.0% |
| Dec-06 | 0.88 | 0.0 | 1.41 | 62.4% |
| Dec-07 | 0.98 | 11.4 | 1.69 | 58.0% |
| Dec-08 | 1.08 | 10.2 | 1.81 | 59.7% |
| Dec-09 | 1.12 | 3.7 | 0.99 | 113.1% |
| Dec-10 | 1.16 | 3.6 | 1.08 | 107.4% |
| Dec-11 | 1.24 | 6.9 | -1.68 | -73.8% |
| Dec-12 | 1.28 | 3.2 | 2.49 | 51.4% |
| ***Dec-13*** | ***1.32*** | ***3.1*** | ***1.91*** | ***69.1%*** |
| *Dec-14* | *1.36* | *3.0* | *2.22* | *61.2%* |
| *Dec-15* | *1.40* | *3.0* | *2.34* | *59.9%* |
| *Dec-16* | *1.44* | *3.0* | *2.47* | *58.4%* |
| *Dec-17* | *1.49* | *3.0* | *2.62* | *56.7%* |

Light green shading denotes a dividend increase, while light red shading denotes a dividend decrease. Heavy green shading denotes a significant dividend increase, while heavy red shading denotes a significant dividend decrease or an excessive payout ratio. NA = Not Applicable.

To view our full 16-page equity report on Thomson Reuters Corp, please visit our website at www.valuentum.com



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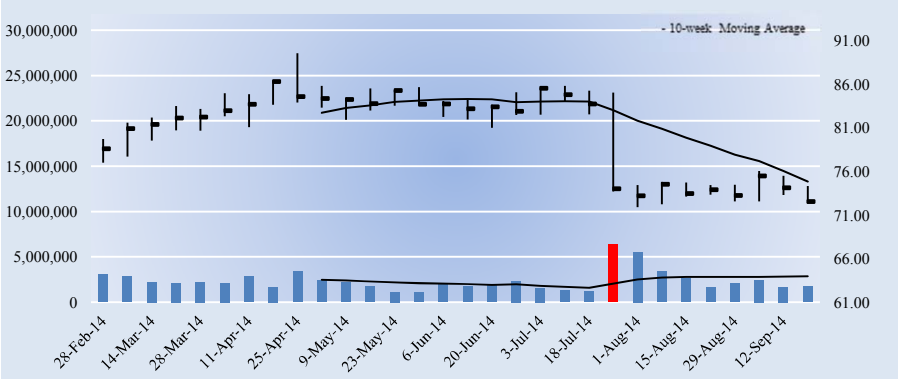
# Tupperware TUP FAIRLY VALUED

**Buying Index™** 3 **Value Rating**

| Last Close | Stock Fair Value Range | Dividend Track Record | Dividend Safety / Cushion™ | Div Growth Potential | Dividend Yield |
|---|---|---|---|---|---|
| $72.55 | $62.00 - $94.00 | HEALTHY | GOOD / 1.4 | EXCELLENT | 3.75% |

**Tupperware stands out to us as one of the better income plays on the market today. We'd consider adding it to our dividend growth portfolio.**

## Stock Chart (weekly)




## Key Dividend Considerations

| | |
|---|---|
| Current Annual Dividend Yield | **3.75%** |
| Annual Dividends per Share | **$2.72** |
| Initial Annual Div's Paid, $10k Investment | **$374.91** |
| Dividend Track Record | **HEALTHY** |
| Dividend Safety | **GOOD** |
| Valuentum Dividend Cushion™ | **1.4** |
| Dividend Growth Potential | **EXCELLENT** |
| Risk of Capital Loss | **MEDIUM** |
| ValueRisk™ (Equity Margin of Safety) | **LOW** |

The Valuentum Dividend Cushion is a ratio that compares the firm's excess cash and cash flow to its future dividend stream. A score above 1 indicates cash flow is sufficient to cover future dividends (higher is better).

## Dividend Strength

| Dividend Safety \ Dividend Growth | Very Poor | Poor | Good | Excellent |
|---|---|---|---|---|
| Excellent | | | | |
| Good | | | | |
| Poor | | | | |
| Very Poor | | | | |

Firms that have safe and growing dividends score at the top right of our scale.

## Company Vitals

| | |
|---|---|
| Market Cap (USD) | $3,852 |
| Avg Weekly Vol (30 wks) | 2,349 |
| 30-week Range (USD) | 71.9 - 89.57 |
| Valuentum Sector | Materials |
| Last Fiscal Year Revenue | 2,672 |
| Last Fiscal Year EPS | 5.16 |
| Last Fiscal Year EBITDA | 468 |
| Forward Revenue Growth (5-yr) | 2.4% |
| Forward EPS Growth (5-yr) | 8.5% |

## Dividend Vitals

| | |
|---|---|
| Current Annual Dividend Yield % | 3.7% |
| Annual Dividends Per Share | 2.72 |
| Forward Dividend Payout Ratio | 49.5% |
| 3-yr Historical Dividend CAGR | 31.4% |
| 15-yr Historical Dividend CAGR | NA |
| 3-yr Hist Median Div Payout Ratio | 42.1% |
| 15-yr Hist Median Div Payout Ratio | 0.0% |

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

## Initial Annual Income Per Investment ($)

| # of Shares | Investment ($) | Annual Div's ($) |
|---|---|---|
| 25 | 1,813.75 | 68.00 |
| 50 | 3,627.50 | 136.00 |
| 100 | 7,255.00 | 272.00 |
| 200 | 14,510.00 | 544.00 |
| 300 | 21,765.00 | 816.00 |
| 400 | 29,020.00 | 1,088.00 |
| 500 | 36,275.00 | 1,360.00 |
| 1,000 | 72,550.00 | 2,720.00 |
| 2,000 | 145,100.00 | 5,440.00 |
| 5,000 | 362,750.00 | 13,600.00 |
| 10,000 | 725,500.00 | 27,200.00 |
| 50,000 | 3,627,500.00 | 136,000.00 |
| 100,000 | 7,255,000.00 | 272,000.00 |

Initial annual income is based on the firm's current forward annual dividend yield and could be subject to change.

## Dividend Safety / Cushion — GOOD / 1.4

We assess the safety of a firm's dividend by adding the company's net cash to our forecast of its free cash flows over the next five years. We then divide that sum by the total expected dividends over the next five years. This process results in our Dividend Cushion™ ratio. A Dividend Cushion™ above 1 indicates a firm can cover its future dividends with net cash on hand and future free cash flow, while a score below 1 signals trouble may be on the horizon. And by extension, the greater the score, the safer the dividend, as excess cash can be used to offset any unexpected earnings shortfall. Tupperware scores a 1.4 on our Dividend Cushion™, which is GOOD.

## Dividend Growth Potential — EXCELLENT

We judge the future potential growth of the dividend by evaluating the capacity for future increases, as measured by the Dividend Cushion™, and management's willingness to consistently raise the dividend, as measured by the firm's dividend track record. Tupperware registers an EXCELLENT rating on our scale, and we think the firm's annual dividend will be $3.86 per share within the next several years.

## Risk of Capital Loss — MEDIUM

We assess the risk of capital loss based on our analysis of a firm's intrinsic value at this point in time. If the stock is undervalued (based on our DCF process), we think the risk of failing to recoup one's original capital investment (ex dividends) is relatively LOW. If the stock is fairly valued (it falls within our fair value estimate range), we think the likelihood of losing capital (ex dividends) is MEDIUM. If the stock is trading above our estimate of its intrinsic value, we think the likelihood of losing at least a portion of one's original investment (ex dividends) is HIGH. Tupperware registers a score of MEDIUM on our scale.

## Dividend Track Record — HEALTHY

| Fiscal Year | Div's/Share ($) | Div Growth % | EPS ($) | Payout Ratio |
|---|---|---|---|---|
| Dec-99 | NA | 0.0 | 1.37 | 0.0% |
| Dec-00 | NA | 0.0 | 1.29 | 0.0% |
| Dec-01 | NA | 0.0 | 1.04 | 0.0% |
| Dec-02 | NA | 0.0 | 1.54 | 0.0% |
| Dec-03 | NA | 0.0 | 0.82 | 0.0% |
| Dec-04 | NA | 0.0 | 1.48 | 0.0% |
| Dec-05 | NA | 0.0 | 1.42 | 0.0% |
| Dec-06 | NA | 0.0 | 1.54 | 0.0% |
| Dec-07 | 0.88 | 0.0 | 1.87 | 47.1% |
| Dec-08 | 0.88 | 0.0 | 2.56 | 34.4% |
| Dec-09 | 0.91 | 3.4 | 2.75 | 33.1% |
| Dec-10 | 1.05 | 15.4 | 3.53 | 29.7% |
| Dec-11 | 1.20 | 14.3 | 3.55 | 33.8% |
| Dec-12 | 1.44 | 20.0 | 3.42 | 42.1% |
| Dec-13 | 2.48 | 72.2 | 5.16 | 48.1% |
| ***Dec-14*** | ***2.72*** | ***9.7*** | ***5.49*** | ***49.5%*** |
| *Dec-15* | *2.98* | *9.5* | *6.05* | *49.2%* |
| *Dec-16* | *3.25* | *9.0* | *6.59* | *49.3%* |
| *Dec-17* | *3.54* | *9.0* | *7.16* | *49.4%* |
| *Dec-18* | *3.86* | *9.0* | *7.75* | *49.8%* |

Light green shading denotes a dividend increase, while light red shading denotes a dividend decrease. Heavy green shading denotes a significant dividend increase, while heavy red shading denotes a significant dividend decrease or an excessive payout ratio. NA = Not Applicable.

To view our full 16-page equity report on Tupperware, please visit our website at www.valuentum.com



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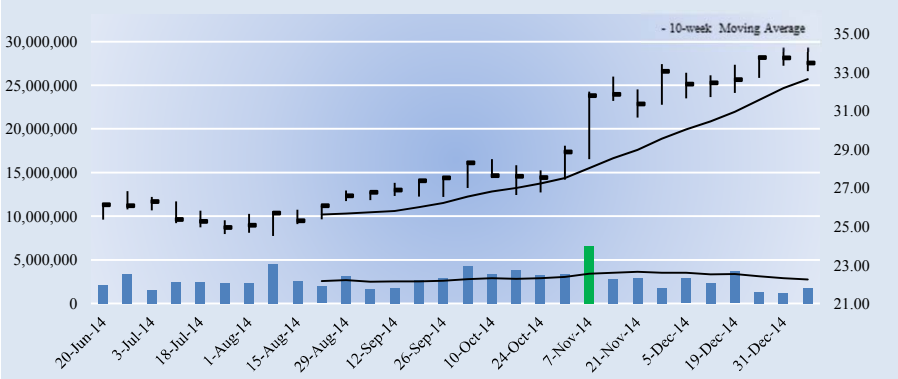
# Texas Roadhouse TXRH FAIRLY VALUED

**Buying Index™** 6 **Value Rating**

| Economic Castle | Stock Fair Value Range | Dividend Track Record | Dividend Safety / Cushion™ | Div Growth Potential | Dividend Yield |
|---|---|---|---|---|---|
| Attractive | $25.00 - $37.00 | HEALTHY | GOOD / 2.4 | EXCELLENT | 1.79% |

## Texas Roadhouse boasts a strong Dividend Cushion ratio.

### Stock Chart (weekly)




### Company Vitals

| | |
|---|---|
| Market Cap (USD) | $2,391 |
| Avg Weekly Vol (30 wks) | 2,781 |
| 30-week Range (USD) | 24.51 - 34.32 |
| Valuentum Sector | Consumer Discretionary |
| Last Fiscal Year Revenue | 1,423 |
| Last Fiscal Year EPS | 1.13 |
| Last Fiscal Year EBITDA | 170 |
| Forward Revenue Growth (5-yr) | 9.8% |
| Forward EPS Growth (5-yr) | 15.6% |

### Dividend Vitals

| | |
|---|---|
| Current Annual Dividend Yield % | 1.8% |
| Annual Dividends Per Share | 0.60 |
| Forward Dividend Payout Ratio | 48.3% |
| 3-yr Historical Dividend CAGR | INF |
| 15-yr Historical Dividend CAGR | NA |
| 3-yr Hist Median Div Payout Ratio | 36.4% |
| 15-yr Hist Median Div Payout Ratio | 0.0% |

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

### Initial Annual Income Per Investment ($)

| # of Shares | Investment ($) | Annual Div's ($) |
|---|---|---|
| 25 | 837.50 | 15.00 |
| 50 | 1,675.00 | 30.00 |
| 100 | 3,350.00 | 60.00 |
| 200 | 6,700.00 | 120.00 |
| 300 | 10,050.00 | 180.00 |
| 400 | 13,400.00 | 240.00 |
| 500 | 16,750.00 | 300.00 |
| 1,000 | 33,500.00 | 600.00 |
| 2,000 | 67,000.00 | 1,200.00 |
| 5,000 | 167,500.00 | 3,000.00 |
| 10,000 | 335,000.00 | 6,000.00 |
| 50,000 | 1,675,000.00 | 30,000.00 |
| 100,000 | 3,350,000.00 | 60,000.00 |

Initial annual income is based on the firm's current forward annual dividend yield and could be subject to change.

### Dividend Safety / Cushion — GOOD / 2.4

We assess the safety of a firm's dividend by adding the company's net cash to our forecast of its free cash flows over the next five years. We then divide that sum by the total expected dividends over the next five years. This process results in our Dividend Cushion™ ratio. A Dividend Cushion™ above 1 indicates a firm can cover its future dividends with net cash on hand and future free cash flow, while a score below 1 signals trouble may be on the horizon. And by extension, the greater the score, the safer the dividend, as excess cash can be used to offset any unexpected earnings shortfall. Texas Roadhouse scores a 2.4 on our Dividend Cushion™, which is GOOD.

### Dividend Growth Potential — EXCELLENT

We judge the future potential growth of the dividend by evaluating the capacity for future increases, as measured by the Dividend Cushion™, and management's willingness to consistently raise the dividend, as measured by the firm's dividend track record. Texas Roadhouse registers an EXCELLENT rating on our scale, and we think the firm's annual dividend will be $0.86 per share within the next several years.

### Risk of Capital Loss — MEDIUM

We assess the risk of capital loss based on our analysis of a firm's intrinsic value at this point in time. If the stock is undervalued (based on our DCF process), we think the risk of failing to recoup one's original capital investment (ex dividends) is relatively LOW. If the stock is fairly valued (it falls within our fair value estimate range), we think the likelihood of losing capital (ex dividends) is MEDIUM. If the stock is trading above our estimate of its intrinsic value, we think the likelihood of losing at least a portion of one's original investment (ex dividends) is HIGH. Texas Roadhouse registers a score of MEDIUM on our scale.

### Key Dividend Considerations

| | |
|---|---|
| Current Annual Dividend Yield | **1.79%** |
| Annual Dividends per Share | **$0.60** |
| Initial Annual Div's Paid, $10k Investment | **$179.10** |
| Dividend Track Record | **HEALTHY** |
| Dividend Safety | **GOOD** |
| Valuentum Dividend Cushion™ | **2.4** |
| Dividend Growth Potential | **EXCELLENT** |
| Risk of Capital Loss | **MEDIUM** |
| ValueRisk™ (Equity Margin of Safety) | **LOW** |

The Valuentum Dividend Cushion is a ratio that compares the firm's excess cash and cash flow to its future dividend stream. A score above 1 indicates cash flow is sufficient to cover future dividends (higher is better).

### Dividend Strength

| Dividend Safety \ Dividend Growth | Very Poor | Poor | Good | Excellent |
|---|---|---|---|---|
| Excellent | | | | |
| Good | | | | |
| Poor | | | | |
| Very Poor | | | | |

Firms that have safe and growing dividends score at the top right of our scale.

### Dividend Track Record — HEALTHY

| Fiscal Year | Div's/Share ($) | Div Growth % | EPS ($) | Payout Ratio |
|---|---|---|---|---|
| NA | 0.00 | 0.0 | 0.00 | 0.0% |
| NA | 0.00 | 0.0 | 0.00 | 0.0% |
| NA | 0.00 | 0.0 | 0.00 | 0.0% |
| NA | 0.00 | 0.0 | 0.00 | 0.0% |
| NA | 0.00 | 0.0 | 0.00 | 0.0% |
| NA | 0.00 | 0.0 | 0.25 | 0.0% |
| NA | 0.00 | 0.0 | 0.42 | 0.0% |
| Dec-06 | 0.00 | 0.0 | 0.44 | 0.0% |
| Dec-07 | 0.00 | 0.0 | 0.51 | 0.0% |
| Dec-08 | 0.00 | 0.0 | 0.52 | 0.0% |
| Dec-09 | 0.00 | 0.0 | 0.67 | 0.0% |
| Dec-10 | 0.00 | 0.0 | 0.80 | 0.0% |
| Dec-11 | 0.32 | 0.0 | 0.88 | 36.4% |
| Dec-12 | 0.32 | 0.0 | 1.00 | 32.0% |
| Dec-13 | 0.48 | 50.0 | 1.13 | 42.5% |
| ***Dec-14*** | ***0.60*** | ***25.0*** | ***1.24*** | ***48.3%*** |
| *Dec-15* | *0.67* | *12.0* | *1.42* | *47.2%* |
| *Dec-16* | *0.74* | *10.0* | *1.71* | *43.3%* |
| *Dec-17* | *0.80* | *8.0* | *2.01* | *39.7%* |
| *Dec-18* | *0.86* | *8.0* | *2.33* | *37.0%* |

Light green shading denotes a dividend increase, while light red shading denotes a dividend decrease. Heavy green shading denotes a significant dividend increase, while heavy red shading denotes a significant dividend decrease or an excessive payout ratio. NA = Not Applicable.

To view our full 16-page equity report on Texas Roadhouse, please visit our website at www.valuentum.com



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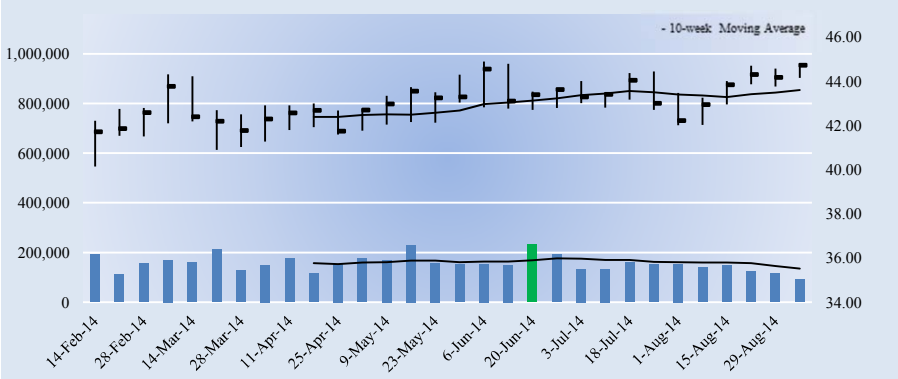
# Universal Health Realty UHT FAIRLY VALUED

**Buying Index™** 6 **Value Rating**

| Economic Castle | Stock Fair Value Range | Dividend Track Record | Dividend Safety / Cushion™ | Div Growth Potential | Dividend Yield |
|---|---|---|---|---|---|
| Attractive | $35.00 - $53.00 | HEALTHY | GOOD / 2.1 | GOOD | 5.64% |

**Universal Health Realty's dividend safety depends on its ability to access the public debt and equity markets.**

## Stock Chart (weekly)




## Key Dividend Considerations

| | |
|---|---|
| Current Annual Dividend Yield | **5.64%** |
| Annual Dividends per Share | **$2.52** |
| Initial Annual Div's Paid, $10k Investment | **$563.63** |
| Dividend Track Record | **HEALTHY** |
| Dividend Safety | **GOOD** |
| Valuentum Dividend Cushion™ | **2.1** |
| Dividend Growth Potential | **GOOD** |
| Risk of Capital Loss | **MEDIUM** |
| ValueRisk™ (Equity Margin of Safety) | **LOW** |

The Valuentum Dividend Cushion is a ratio that compares the firm's excess cash and cash flow to its future dividend stream. A score above 1 indicates cash flow is sufficient to cover future dividends (higher is better).

## Dividend Strength

| Dividend Safety \ Dividend Growth | Very Poor | Poor | Good | Excellent |
|---|---|---|---|---|
| Excellent | | | | |
| Good | | | ■ | |
| Poor | | | | |
| Very Poor | | | | |

Firms that have safe and growing dividends score at the top right of our scale.

## Company Vitals

| | |
|---|---|
| Market Cap (USD) | $568 |
| Avg Weekly Vol (30 wks) | 156 |
| 30-week Range (USD) | 40.14 - 44.88 |
| Valuentum Sector | Financials |
| Last Fiscal Year Revenue | 54 |
| Last Fiscal Year EPS | 1.04 |
| Last Fiscal Year EBITDA | 37 |
| Forward Revenue Growth (5-yr) | 6.0% |
| Forward EPS Growth (5-yr) | 23.3% |

## Dividend Vitals

| | |
|---|---|
| Current Annual Dividend Yield % | 5.6% |
| Annual Dividends Per Share | 2.52 |
| Forward Dividend Payout Ratio | 90.7% |
| 3-yr Historical Dividend CAGR | 1.2% |
| 15-yr Historical Dividend CAGR | 2.2% |
| 3-yr Hist Median Div Payout Ratio | 159.7% |
| 15-yr Hist Median Div Payout Ratio | 108.7% |

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

## Initial Annual Income Per Investment ($)

| # of Shares | Investment ($) | Annual Div's ($) |
|---|---|---|
| 25 | 1,117.75 | 63.00 |
| 50 | 2,235.50 | 126.00 |
| 100 | 4,471.00 | 252.00 |
| 200 | 8,942.00 | 504.00 |
| 300 | 13,413.00 | 756.00 |
| 400 | 17,884.00 | 1,008.00 |
| 500 | 22,355.00 | 1,260.00 |
| 1,000 | 44,710.00 | 2,520.00 |
| 2,000 | 89,420.00 | 5,040.00 |
| 5,000 | 223,550.00 | 12,600.00 |
| 10,000 | 447,100.00 | 25,200.00 |
| 50,000 | 2,235,500.00 | 126,000.00 |
| 100,000 | 4,471,000.00 | 252,000.00 |

Initial annual income is based on the firm's current forward annual dividend yield and could be subject to change.

## Dividend Safety / Cushion — GOOD / 2.1

We assess the safety of a firm's dividend by adding the company's net cash to our forecast of its free cash flows over the next five years. We then divide that sum by the total expected dividends over the next five years. This process results in our Dividend Cushion™ ratio. A Dividend Cushion™ above 1 indicates a firm can cover its future dividends with net cash on hand and future free cash flow, while a score below 1 signals trouble may be on the horizon. And by extension, the greater the score, the safer the dividend, as excess cash can be used to offset any unexpected earnings shortfall. Universal Health Realty scores a 2.1 on our Dividend Cushion™, which is GOOD.

## Dividend Growth Potential — GOOD

We judge the future potential growth of the dividend by evaluating the capacity for future increases, as measured by the Dividend Cushion™, and management's willingness to consistently raise the dividend, as measured by the firm's dividend track record. Universal Health Realty registers an GOOD rating on our scale, and we think the firm's annual dividend will be $2.84 per share within the next several years.

## Risk of Capital Loss — MEDIUM

We assess the risk of capital loss based on our analysis of a firm's intrinsic value at this point in time. If the stock is undervalued (based on our DCF process), we think the risk of failing to recoup one's original capital investment (ex dividends) is relatively LOW. If the stock is fairly valued (it falls within our fair value estimate range), we think the likelihood of losing capital (ex dividends) is MEDIUM. If the stock is trading above our estimate of its intrinsic value, we think the likelihood of losing at least a portion of one's original investment (ex dividends) is HIGH. Universal Health Realty registers a score of MEDIUM on our scale.

## Dividend Track Record — HEALTHY

| Fiscal Year | Div's/Share ($) | Div Growth % | EPS ($) | Payout Ratio |
|---|---|---|---|---|
| Dec-99 | 1.81 | 0.0 | 1.56 | 116.0% |
| Dec-00 | 1.84 | 1.7 | 1.81 | 101.7% |
| Dec-01 | 1.88 | 2.2 | 1.74 | 108.0% |
| Dec-02 | 1.92 | 2.1 | 1.84 | 104.3% |
| Dec-03 | 1.96 | 2.1 | 2.07 | 94.7% |
| Dec-04 | 2.00 | 2.0 | 1.84 | 108.7% |
| Dec-05 | 2.18 | 9.0 | 2.15 | 101.4% |
| Dec-06 | 2.26 | 3.7 | 2.92 | 77.4% |
| Dec-07 | 2.30 | 1.8 | 1.66 | 138.6% |
| Dec-08 | 2.34 | 1.7 | 0.98 | 238.8% |
| Dec-09 | 2.38 | 1.7 | 1.56 | 152.6% |
| Dec-10 | 2.42 | 1.7 | 1.33 | 182.0% |
| Dec-11 | 2.43 | 0.4 | 5.83 | 41.7% |
| Dec-12 | 2.46 | 1.2 | 1.54 | 159.7% |
| Dec-13 | 2.50 | 1.6 | 1.04 | 240.4% |
| ***Dec-14*** | ***2.52*** | ***0.8*** | ***2.78*** | ***90.7%*** |
| *Jan-16* | *2.57* | *2.0* | *2.93* | *87.8%* |
| *Dec-16* | *2.62* | *2.0* | *2.99* | *87.7%* |
| *Dec-17* | *2.70* | *3.0* | *3.00* | *90.1%* |
| *Dec-18* | *2.84* | *5.0* | *2.95* | *96.2%* |

Light green shading denotes a dividend increase, while light red shading denotes a dividend decrease. Heavy green shading denotes a significant dividend increase, while heavy red shading denotes a significant dividend decrease or an excessive payout ratio. NA = Not Applicable.

To view our full 16-page equity report on Universal Health Realty, please visit our website at www.valuentum.com



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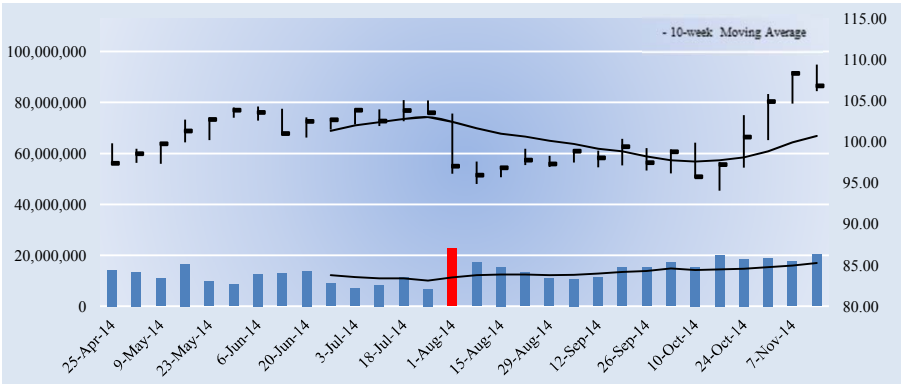
# United Parcel Service UPS FAIRLY VALUED

**Buying Index™** 6 **Value Rating**

| Economic Castle | Stock Fair Value Range | Dividend Track Record | Dividend Safety / Cushion™ | Div Growth Potential | Dividend Yield |
|---|---|---|---|---|---|
| Attractive | $82.00 - $122.00 | HEALTHY | GOOD / 2 | EXCELLENT | 2.51% |

## United Parcel Services' dividend is poised for continued expansion.

### Stock Chart (weekly)




### Key Dividend Considerations

| | |
|---|---|
| Current Annual Dividend Yield | **2.51%** |
| Annual Dividends per Share | **$2.68** |
| Initial Annual Div's Paid, $10k Investment | **$250.87** |
| Dividend Track Record | **HEALTHY** |
| Dividend Safety | **GOOD** |
| Valuentum Dividend Cushion™ | **2.0** |
| Dividend Growth Potential | **EXCELLENT** |
| Risk of Capital Loss | **MEDIUM** |
| ValueRisk™ (Equity Margin of Safety) | **LOW** |

The Valuentum Dividend Cushion is a ratio that compares the firm's excess cash and cash flow to its future dividend stream. A score above 1 indicates cash flow is sufficient to cover future dividends (higher is better).

### Dividend Strength

| Dividend Safety \ Dividend Growth | Very Poor | Poor | Good | Excellent |
|---|---|---|---|---|
| Excellent | | | | |
| Good | | | | |
| Poor | | | | |
| Very Poor | | | | |

Firms that have safe and growing dividends score at the top right of our scale.

### Company Vitals

| | |
|---|---|
| Market Cap (USD) | $101,275 |
| Avg Weekly Vol (30 wks) | 13,826 |
| 30-week Range (USD) | 94.05 - 109.4 |
| Valuentum Sector | Industrials |
| Last Fiscal Year Revenue | 55,438 |
| Last Fiscal Year EPS | 4.61 |
| Last Fiscal Year EBITDA | 10,141 |
| Forward Revenue Growth (5-yr) | 5.2% |
| Forward EPS Growth (5-yr) | 11.0% |

### Dividend Vitals

| | |
|---|---|
| Current Annual Dividend Yield % | 2.5% |
| Annual Dividends Per Share | 2.68 |
| Forward Dividend Payout Ratio | 53.5% |
| 3-yr Historical Dividend CAGR | 8.8% |
| 15-yr Historical Dividend CAGR | NA |
| 3-yr Hist Median Div Payout Ratio | 54.2% |
| 15-yr Hist Median Div Payout Ratio | 19.0% |

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

### Initial Annual Income Per Investment ($)

| # of Shares | Investment ($) | Annual Div's ($) |
|---|---|---|
| 25 | 2,670.75 | 67.00 |
| 50 | 5,341.50 | 134.00 |
| 100 | 10,683.00 | 268.00 |
| 200 | 21,366.00 | 536.00 |
| 300 | 32,049.00 | 804.00 |
| 400 | 42,732.00 | 1,072.00 |
| 500 | 53,415.00 | 1,340.00 |
| 1,000 | 106,830.00 | 2,680.00 |
| 2,000 | 213,660.00 | 5,360.00 |
| 5,000 | 534,150.00 | 13,400.00 |
| 10,000 | 1,068,300.00 | 26,800.00 |
| 50,000 | 5,341,500.00 | 134,000.00 |
| 100,000 | 10,683,000 | 268,000.00 |

Initial annual income is based on the firm's current forward annual dividend yield and could be subject to change.

### Dividend Safety / Cushion — GOOD / 2

We assess the safety of a firm's dividend by adding the company's net cash to our forecast of its free cash flows over the next five years. We then divide that sum by the total expected dividends over the next five years. This process results in our Dividend Cushion™ ratio. A Dividend Cushion™ above 1 indicates a firm can cover its future dividends with net cash on hand and future free cash flow, while a score below 1 signals trouble may be on the horizon. And by extension, the greater the score, the safer the dividend, as excess cash can be used to offset any unexpected earnings shortfall. United Parcel Service scores a 2 on our Dividend Cushion™, which is GOOD.

### Dividend Growth Potential — EXCELLENT

We judge the future potential growth of the dividend by evaluating the capacity for future increases, as measured by the Dividend Cushion™, and management's willingness to consistently raise the dividend, as measured by the firm's dividend track record. United Parcel Service registers an EXCELLENT rating on our scale, and we think the firm's annual dividend will be $3.71 per share within the next several years.

### Risk of Capital Loss — MEDIUM

We assess the risk of capital loss based on our analysis of a firm's intrinsic value at this point in time. If the stock is undervalued (based on our DCF process), we think the risk of failing to recoup one's original capital investment (ex dividends) is relatively LOW. If the stock is fairly valued (it falls within our fair value estimate range), we think the likelihood of losing capital (ex dividends) is MEDIUM. If the stock is trading above our estimate of its intrinsic value, we think the likelihood of losing at least a portion of one's original investment (ex dividends) is HIGH. United Parcel Service registers a score of MEDIUM on our scale.

### Dividend Track Record — HEALTHY

| Fiscal Year | Div's/Share ($) | Div Growth % | EPS ($) | Payout Ratio |
|---|---|---|---|---|
| NA | NA | 0.0 | 0.77 | 0.0% |
| Dec-00 | NA | 0.0 | 2.50 | 0.0% |
| Dec-01 | NA | 0.0 | 2.12 | 0.0% |
| Dec-02 | NA | 0.0 | 2.84 | 0.0% |
| Dec-03 | 0.43 | 0.0 | 2.55 | 16.9% |
| Dec-04 | 0.55 | 26.7 | 2.93 | 18.6% |
| Dec-05 | 0.64 | 16.5 | 3.47 | 18.3% |
| Dec-06 | 0.74 | 15.7 | 3.86 | 19.0% |
| Dec-07 | 0.82 | 11.6 | 0.36 | 227.8% |
| Dec-08 | 1.11 | 35.4 | 2.94 | 37.8% |
| Dec-09 | 1.80 | 62.2 | 2.14 | 84.1% |
| Dec-10 | 1.88 | 4.4 | 3.48 | 54.0% |
| Dec-11 | 2.08 | 10.6 | 3.84 | 54.2% |
| Dec-12 | 2.28 | 9.6 | 0.83 | 274.7% |
| Dec-13 | 2.48 | 8.8 | 4.61 | 53.8% |
| ***Dec-14*** | ***2.68*** | ***8.1*** | ***5.01*** | ***53.5%*** |
| *Dec-15* | *2.92* | *9.0* | *5.72* | *51.1%* |
| *Dec-16* | *3.18* | *9.0* | *6.35* | *50.1%* |
| *Dec-17* | *3.44* | *8.0* | *7.03* | *48.9%* |
| *Dec-18* | *3.71* | *8.0* | *7.76* | *47.9%* |

Light green shading denotes a dividend increase, while light red shading denotes a dividend decrease. Heavy green shading denotes a significant dividend increase, while heavy red shading denotes a significant dividend decrease or an excessive payout ratio. NA = Not Applicable.

To view our full 16-page equity report on United Parcel Service, please visit our website at www.valuentum.com



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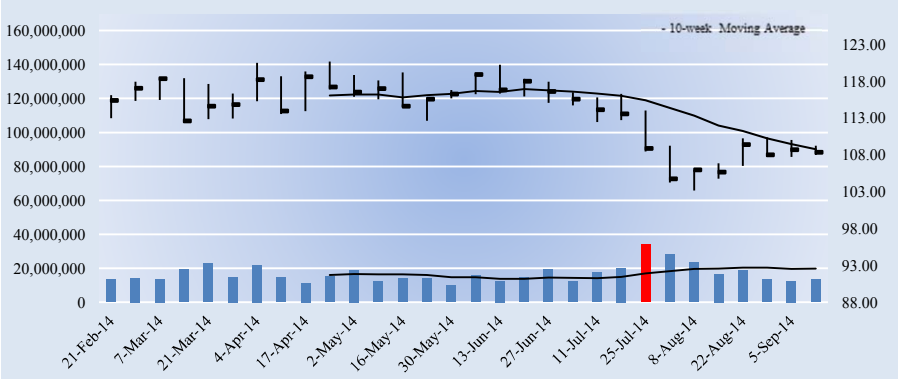
# United Technologies UTX FAIRLY VALUED

**Buying Index™** 4 **Value Rating**

| Economic Castle | Stock Fair Value Range | Dividend Track Record | Dividend Safety / Cushion™ | Div Growth Potential | Dividend Yield |
|---|---|---|---|---|---|
| Attractive | $90.00 - $136.00 | HEALTHY | GOOD / 1.8 | EXCELLENT | 2.18% |

## We like United Technologies' dividend growth prospects.

### Stock Chart (weekly)




### Key Dividend Considerations

| | |
|---|---|
| Current Annual Dividend Yield | **2.18%** |
| Annual Dividends per Share | **$2.36** |
| Initial Annual Div's Paid, $10k Investment | **$217.81** |
| Dividend Track Record | **HEALTHY** |
| Dividend Safety | **GOOD** |
| Valuentum Dividend Cushion™ | **1.8** |
| Dividend Growth Potential | **EXCELLENT** |
| Risk of Capital Loss | **MEDIUM** |
| ValueRisk™ (Equity Margin of Safety) | **LOW** |

The Valuentum Dividend Cushion is a ratio that compares the firm's excess cash and cash flow to its future dividend stream. A score above 1 indicates cash flow is sufficient to cover future dividends (higher is better).

### Dividend Strength

| Dividend Safety \ Dividend Growth | Very Poor | Poor | Good | Excellent |
|---|---|---|---|---|
| Excellent | | | | |
| Good | | | | ■ |
| Poor | | | | |
| Very Poor | | | | |

Firms that have safe and growing dividends score at the top right of our scale.

### Company Vitals

| | |
|---|---|
| Market Cap (USD) | $99,151 |
| Avg Weekly Vol (30 wks) | 16,716 |
| 30-week Range (USD) | 103.14 - 120.66 |
| Valuentum Sector | Industrials |
| Last Fiscal Year Revenue | 62,626 |
| Last Fiscal Year EPS | 6.21 |
| Last Fiscal Year EBITDA | 9,879 |
| Forward Revenue Growth (5-yr) | 4.5% |
| Forward EPS Growth (5-yr) | 10.5% |

### Dividend Vitals

| | |
|---|---|
| Current Annual Dividend Yield % | 2.2% |
| Annual Dividends Per Share | 2.36 |
| Forward Dividend Payout Ratio | 34.1% |
| 3-yr Historical Dividend CAGR | 8.1% |
| 15-yr Historical Dividend CAGR | 12.9% |
| 3-yr Hist Median Div Payout Ratio | 35.4% |
| 15-yr Hist Median Div Payout Ratio | 27.6% |

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

### Initial Annual Income Per Investment ($)

| # of Shares | Investment ($) | Annual Div's ($) |
|---|---|---|
| 25 | 2,708.75 | 59.00 |
| 50 | 5,417.50 | 118.00 |
| 100 | 10,835.00 | 236.00 |
| 200 | 21,670.00 | 472.00 |
| 300 | 32,505.00 | 708.00 |
| 400 | 43,340.00 | 944.00 |
| 500 | 54,175.00 | 1,180.00 |
| 1,000 | 108,350.00 | 2,360.00 |
| 2,000 | 216,700.00 | 4,720.00 |
| 5,000 | 541,750.00 | 11,800.00 |
| 10,000 | 1,083,500.00 | 23,600.00 |
| 50,000 | 5,417,500.00 | 118,000.00 |
| 100,000 | 10,835,000 | 236,000.00 |

Initial annual income is based on the firm's current forward annual dividend yield and could be subject to change.

### Dividend Safety / Cushion — GOOD / 1.8

We assess the safety of a firm's dividend by adding the company's net cash to our forecast of its free cash flows over the next five years. We then divide that sum by the total expected dividends over the next five years. This process results in our Dividend Cushion™ ratio. A Dividend Cushion™ above 1 indicates a firm can cover its future dividends with net cash on hand and future free cash flow, while a score below 1 signals trouble may be on the horizon. And by extension, the greater the score, the safer the dividend, as excess cash can be used to offset any unexpected earnings shortfall. United Technologies scores a 1.8 on our Dividend Cushion™, which is GOOD.

### Dividend Growth Potential — EXCELLENT

We judge the future potential growth of the dividend by evaluating the capacity for future increases, as measured by the Dividend Cushion™, and management's willingness to consistently raise the dividend, as measured by the firm's dividend track record. United Technologies registers an EXCELLENT rating on our scale, and we think the firm's annual dividend will be $3.46 per share within the next several years.

### Risk of Capital Loss — MEDIUM

We assess the risk of capital loss based on our analysis of a firm's intrinsic value at this point in time. If the stock is undervalued (based on our DCF process), we think the risk of failing to recoup one's original capital investment (ex dividends) is relatively LOW. If the stock is fairly valued (it falls within our fair value estimate range), we think the likelihood of losing capital (ex dividends) is MEDIUM. If the stock is trading above our estimate of its intrinsic value, we think the likelihood of losing at least a portion of one's original investment (ex dividends) is HIGH. United Technologies registers a score of MEDIUM on our scale.

### Dividend Track Record — HEALTHY

| Fiscal Year | Div's/Share ($) | Div Growth % | EPS ($) | Payout Ratio |
|---|---|---|---|---|
| Dec-99 | 0.38 | 0.0 | 0.83 | 45.8% |
| Dec-00 | 0.42 | 10.5 | 1.78 | 23.6% |
| Dec-01 | 0.45 | 7.1 | 1.92 | 23.4% |
| Dec-02 | 0.49 | 8.9 | 2.21 | 22.2% |
| Dec-03 | 0.57 | 16.3 | 2.35 | 24.3% |
| Dec-04 | 0.70 | 22.8 | 2.76 | 25.4% |
| Dec-05 | 0.88 | 25.7 | 3.12 | 28.2% |
| Dec-06 | 1.02 | 15.9 | 3.71 | 27.5% |
| Dec-07 | 1.17 | 14.7 | 4.27 | 27.4% |
| Dec-08 | 1.35 | 15.4 | 4.90 | 27.6% |
| Dec-09 | 1.54 | 14.1 | 4.12 | 37.4% |
| Dec-10 | 1.70 | 10.4 | 4.74 | 35.9% |
| Dec-11 | 1.87 | 10.0 | 5.49 | 34.1% |
| Dec-12 | 2.03 | 8.6 | 5.35 | 37.9% |
| Dec-13 | 2.20 | 8.4 | 6.21 | 35.4% |
| ***Dec-14*** | ***2.36*** | ***7.3*** | ***6.93*** | ***34.1%*** |
| *Dec-15* | *2.60* | *10.0* | *7.58* | *34.3%* |
| *Dec-16* | *2.86* | *10.0* | *8.37* | *34.1%* |
| *Dec-17* | *3.14* | *10.0* | *9.25* | *34.0%* |
| *Dec-18* | *3.46* | *10.0* | *10.22* | *33.8%* |

Light green shading denotes a dividend increase, while light red shading denotes a dividend decrease. Heavy green shading denotes a significant dividend increase, while heavy red shading denotes a significant dividend decrease or an excessive payout ratio. NA = Not Applicable.

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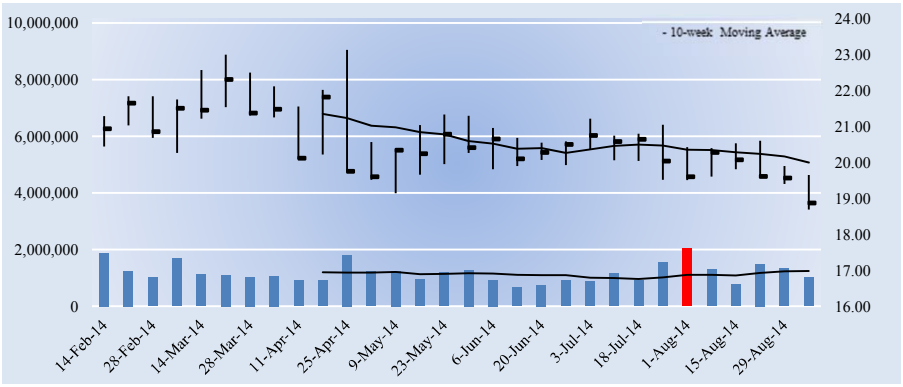
# Meridian VIVO FAIRLY VALUED

**Buying Index™** 4 **Value Rating**

| Economic Castle | Stock Fair Value Range | Dividend Track Record | Dividend Safety / Cushion™ | Div Growth Potential | Dividend Yield |
|---|---|---|---|---|---|
| Very Attractive | $14.00 - $22.00 | HEALTHY | GOOD / 1.7 | GOOD | 4.24% |

**Meridian possesses a lot of qualities that we look for in a dividend growth idea.**

## Stock Chart (weekly)




## Company Vitals

| | |
|---|---|
| Market Cap (USD) | $791 |
| Avg Weekly Vol (30 wks) | 1,177 |
| 30-week Range (USD) | 18.69 - 23.13 |
| Valuentum Sector | Health Care |
| Last Fiscal Year Revenue | 189 |
| Last Fiscal Year EPS | 0.91 |
| Last Fiscal Year EBITDA | 64 |
| Forward Revenue Growth (5-yr) | 4.4% |
| Forward EPS Growth (5-yr) | 8.4% |

## Dividend Vitals

| | |
|---|---|
| Current Annual Dividend Yield % | 4.2% |
| Annual Dividends Per Share | 0.80 |
| Forward Dividend Payout Ratio | 92.1% |
| 3-yr Historical Dividend CAGR | 1.7% |
| 15-yr Historical Dividend CAGR | NA |
| 3-yr Hist Median Div Payout Ratio | 95.0% |
| 15-yr Hist Median Div Payout Ratio | 60.6% |

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

## Initial Annual Income Per Investment ($)

| # of Shares | Investment ($) | Annual Div's ($) |
|---|---|---|
| 25 | 471.75 | 20.00 |
| 50 | 943.50 | 40.00 |
| 100 | 1,887.00 | 80.00 |
| 200 | 3,774.00 | 160.00 |
| 300 | 5,661.00 | 240.00 |
| 400 | 7,548.00 | 320.00 |
| 500 | 9,435.00 | 400.00 |
| 1,000 | 18,870.00 | 800.00 |
| 2,000 | 37,740.00 | 1,600.00 |
| 5,000 | 94,350.00 | 4,000.00 |
| 10,000 | 188,700.00 | 8,000.00 |
| 50,000 | 943,500.00 | 40,000.00 |
| 100,000 | 1,887,000.00 | 80,000.00 |

Initial annual income is based on the firm's current forward annual dividend yield and could be subject to change.

## Dividend Safety / Cushion — GOOD / 1.7

We assess the safety of a firm's dividend by adding the company's net cash to our forecast of its free cash flows over the next five years. We then divide that sum by the total expected dividends over the next five years. This process results in our Dividend Cushion™ ratio. A Dividend Cushion™ above 1 indicates a firm can cover its future dividends with net cash on hand and future free cash flow, while a score below 1 signals trouble may be on the horizon. And by extension, the greater the score, the safer the dividend, as excess cash can be used to offset any unexpected earnings shortfall. Meridian scores a 1.7 on our Dividend Cushion™, which is GOOD.

## Dividend Growth Potential — GOOD

We judge the future potential growth of the dividend by evaluating the capacity for future increases, as measured by the Dividend Cushion™, and management's willingness to consistently raise the dividend, as measured by the firm's dividend track record. Meridian registers an GOOD rating on our scale, and we think the firm's annual dividend will be $0.97 per share within the next several years.

## Risk of Capital Loss — MEDIUM

We assess the risk of capital loss based on our analysis of a firm's intrinsic value at this point in time. If the stock is undervalued (based on our DCF process), we think the risk of failing to recoup one's original capital investment (ex dividends) is relatively LOW. If the stock is fairly valued (it falls within our fair value estimate range), we think the likelihood of losing capital (ex dividends) is MEDIUM. If the stock is trading above our estimate of its intrinsic value, we think the likelihood of losing at least a portion of one's original investment (ex dividends) is HIGH. Meridian registers a score of MEDIUM on our scale.

## Key Dividend Considerations

| | |
|---|---|
| Current Annual Dividend Yield | **4.24%** |
| Annual Dividends per Share | **$0.80** |
| Initial Annual Div's Paid, $10k Investment | **$423.95** |
| Dividend Track Record | **HEALTHY** |
| Dividend Safety | **GOOD** |
| Valuentum Dividend Cushion™ | **1.7** |
| Dividend Growth Potential | **GOOD** |
| Risk of Capital Loss | **MEDIUM** |
| ValueRisk™ (Equity Margin of Safety) | **LOW** |

The Valuentum Dividend Cushion is a ratio that compares the firm's excess cash and cash flow to its future dividend stream. A score above 1 indicates cash flow is sufficient to cover future dividends (higher is better).

## Dividend Strength

| Dividend Safety \ Dividend Growth | Very Poor | Poor | Good | Excellent |
|---|---|---|---|---|
| Excellent | | | | |
| Good | | | ■ | |
| Poor | | | | |
| Very Poor | | | | |

Firms that have safe and growing dividends score at the top right of our scale.

## Dividend Track Record — HEALTHY

| Fiscal Year | Div's/Share ($) | Div Growth % | EPS ($) | Payout Ratio |
|---|---|---|---|---|
| NA | 0.00 | 0.0 | 0.11 | 0.0% |
| NA | 0.00 | 0.0 | 0.33 | 0.0% |
| NA | 0.00 | 0.0 | -0.47 | 0.0% |
| NA | 0.00 | 0.0 | 0.23 | 0.0% |
| NA | 0.00 | 0.0 | 0.31 | 0.0% |
| NA | 0.00 | 0.0 | 0.40 | 0.0% |
| Sep-05 | 0.20 | 0.0 | 0.35 | 57.1% |
| Sep-06 | 0.31 | 55.0 | 0.45 | 68.9% |
| Sep-07 | 0.40 | 29.0 | 0.66 | 60.6% |
| Sep-08 | 0.53 | 32.5 | 0.74 | 71.6% |
| Sep-09 | 0.65 | 22.6 | 0.80 | 81.3% |
| Sep-10 | 0.74 | 13.8 | 0.65 | 113.8% |
| Sep-11 | 0.76 | 2.7 | 0.65 | 116.9% |
| Sep-12 | 0.76 | 0.0 | 0.80 | 95.0% |
| Sep-13 | 0.76 | 0.0 | 0.91 | 83.5% |
| ***Sep-14*** | ***0.80*** | ***5.3*** | ***0.87*** | ***92.1%*** |
| *Sep-15* | *0.84* | *5.0* | *0.93* | *90.4%* |
| *Sep-16* | *0.88* | *5.0* | *1.06* | *83.5%* |
| *Sep-17* | *0.93* | *5.0* | *1.20* | *77.2%* |
| *Sep-18* | *0.97* | *5.0* | *1.36* | *71.5%* |

Light green shading denotes a dividend increase, while light red shading denotes a dividend decrease. Heavy green shading denotes a significant dividend increase, while heavy red shading denotes a significant dividend decrease or an excessive payout ratio. NA = Not Applicable.

To view our full 16-page equity report on Meridian, please visit our website at www.valuentum.com



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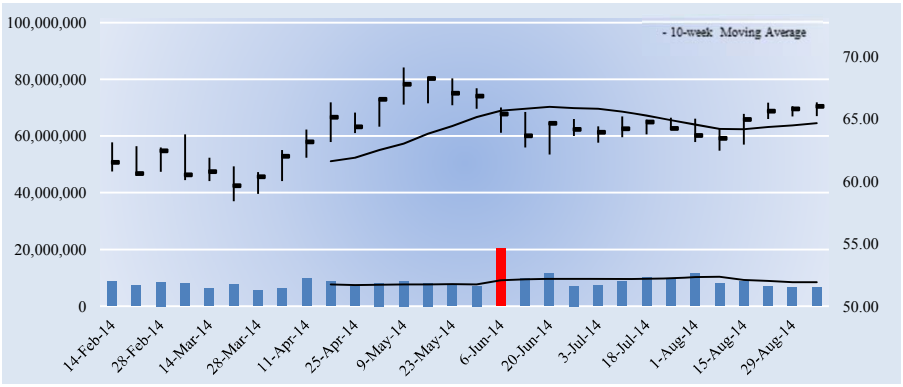
# Ventas VTR FAIRLY VALUED

**Buying Index™** 7 **Value Rating**

| Economic Castle | Stock Fair Value Range | Dividend Track Record | Dividend Safety / Cushion™ | Div Growth Potential | Dividend Yield |
|---|---|---|---|---|---|
| Attractive | $54.00 - $80.00 | HEALTHY | GOOD / 1.6 | EXCELLENT | 4.39% |

**Ventas' dividend health depends on the healthy functioning of the debt and equity markets.**

## Stock Chart (weekly)




## Key Dividend Considerations

| | |
|---|---|
| Current Annual Dividend Yield | **4.39%** |
| Annual Dividends per Share | **$2.90** |
| Initial Annual Div's Paid, $10k Investment | **$439.39** |
| Dividend Track Record | **HEALTHY** |
| Dividend Safety | **GOOD** |
| Valuentum Dividend Cushion™ | **1.6** |
| Dividend Growth Potential | **EXCELLENT** |
| Risk of Capital Loss | **MEDIUM** |
| ValueRisk™ (Equity Margin of Safety) | **LOW** |

The Valuentum Dividend Cushion is a ratio that compares the firm's excess cash and cash flow to its future dividend stream. A score above 1 indicates cash flow is sufficient to cover future dividends (higher is better).

## Dividend Strength

| Dividend Safety \ Dividend Growth | Very Poor | Poor | Good | Excellent |
|---|---|---|---|---|
| Excellent | | | | |
| Good | | | | ■ |
| Poor | | | | |
| Very Poor | | | | |

Firms that have safe and growing dividends score at the top right of our scale.

## Company Vitals

| | |
|---|---|
| Market Cap (USD) | $19,477 |
| Avg Weekly Vol (30 wks) | 8,548 |
| 30-week Range (USD) | 58.4 - 69.09 |
| Valuentum Sector | Financials |
| Last Fiscal Year Revenue | 2,810 |
| Last Fiscal Year EPS | 1.66 |
| Last Fiscal Year EBITDA | 1,535 |
| Forward Revenue Growth (5-yr) | 7.0% |
| Forward EPS Growth (5-yr) | 28.4% |

## Dividend Vitals

| | |
|---|---|
| Current Annual Dividend Yield % | 4.4% |
| Annual Dividends Per Share | 2.90 |
| Forward Dividend Payout Ratio | 65.1% |
| 3-yr Historical Dividend CAGR | 8.0% |
| 15-yr Historical Dividend CAGR | NA |
| 3-yr Hist Median Div Payout Ratio | 165.1% |
| 15-yr Hist Median Div Payout Ratio | 0.0% |

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

## Initial Annual Income Per Investment ($)

| # of Shares | Investment ($) | Annual Div's ($) |
|---|---|---|
| 25 | 1,650.00 | 72.50 |
| 50 | 3,300.00 | 145.00 |
| 100 | 6,600.00 | 290.00 |
| 200 | 13,200.00 | 580.00 |
| 300 | 19,800.00 | 870.00 |
| 400 | 26,400.00 | 1,160.00 |
| 500 | 33,000.00 | 1,450.00 |
| 1,000 | 66,000.00 | 2,900.00 |
| 2,000 | 132,000.00 | 5,800.00 |
| 5,000 | 330,000.00 | 14,500.00 |
| 10,000 | 660,000.00 | 29,000.00 |
| 50,000 | 3,300,000.00 | 145,000.00 |
| 100,000 | 6,600,000.00 | 290,000.00 |

Initial annual income is based on the firm's current forward annual dividend yield and could be subject to change.

## Dividend Safety / Cushion — GOOD / 1.6

We assess the safety of a firm's dividend by adding the company's net cash to our forecast of its free cash flows over the next five years. We then divide that sum by the total expected dividends over the next five years. This process results in our Dividend Cushion™ ratio. A Dividend Cushion™ above 1 indicates a firm can cover its future dividends with net cash on hand and future free cash flow, while a score below 1 signals trouble may be on the horizon. And by extension, the greater the score, the safer the dividend, as excess cash can be used to offset any unexpected earnings shortfall. Ventas scores a 1.6 on our Dividend Cushion™, which is GOOD.

## Dividend Growth Potential — EXCELLENT

We judge the future potential growth of the dividend by evaluating the capacity for future increases, as measured by the Dividend Cushion™, and management's willingness to consistently raise the dividend, as measured by the firm's dividend track record. Ventas registers an EXCELLENT rating on our scale, and we think the firm's annual dividend will be $3.54 per share within the next several years.

## Risk of Capital Loss — MEDIUM

We assess the risk of capital loss based on our analysis of a firm's intrinsic value at this point in time. If the stock is undervalued (based on our DCF process), we think the risk of failing to recoup one's original capital investment (ex dividends) is relatively LOW. If the stock is fairly valued (it falls within our fair value estimate range), we think the likelihood of losing capital (ex dividends) is MEDIUM. If the stock is trading above our estimate of its intrinsic value, we think the likelihood of losing at least a portion of one's original investment (ex dividends) is HIGH. Ventas registers a score of MEDIUM on our scale.

## Dividend Track Record — HEALTHY

| Fiscal Year | Div's/Share ($) | Div Growth % | EPS ($) | Payout Ratio |
|---|---|---|---|---|
| NA | NA | 0.0 | NA | 0.0% |
| Dec-00 | NA | 0.0 | NA | 0.0% |
| Dec-01 | NA | 0.0 | NA | 0.0% |
| Dec-02 | NA | 0.0 | NA | 0.0% |
| Dec-03 | NA | 0.0 | NA | 0.0% |
| Dec-04 | NA | 0.0 | NA | 0.0% |
| Dec-05 | NA | 0.0 | NA | 0.0% |
| Dec-06 | NA | 0.0 | NA | 0.0% |
| Dec-07 | NA | 0.0 | NA | 0.0% |
| Dec-08 | NA | 0.0 | NA | 0.0% |
| Dec-09 | NA | 0.0 | NA | 0.0% |
| Dec-10 | 2.14 | 0.0 | 1.38 | 155.1% |
| Dec-11 | 2.30 | 7.5 | 1.57 | 146.5% |
| Dec-12 | 2.48 | 7.8 | 1.04 | 238.5% |
| Dec-13 | 2.74 | 10.5 | 1.66 | 165.1% |
| ***Dec-14*** | ***2.90*** | ***5.8*** | ***4.45*** | ***65.1%*** |
| *Jan-16* | *3.06* | *5.5* | *4.70* | *65.1%* |
| *Dec-16* | *3.21* | *5.0* | *5.13* | *62.6%* |
| *Dec-17* | *3.37* | *5.0* | *5.51* | *61.3%* |
| *Dec-18* | *3.54* | *5.0* | *5.81* | *61.0%* |

Light green shading denotes a dividend increase, while light red shading denotes a dividend decrease. Heavy green shading denotes a significant dividend increase, while heavy red shading denotes a significant dividend decrease or an excessive payout ratio. NA = Not Applicable.

To view our full 16-page equity report on Ventas, please visit our website at www.valuentum.com



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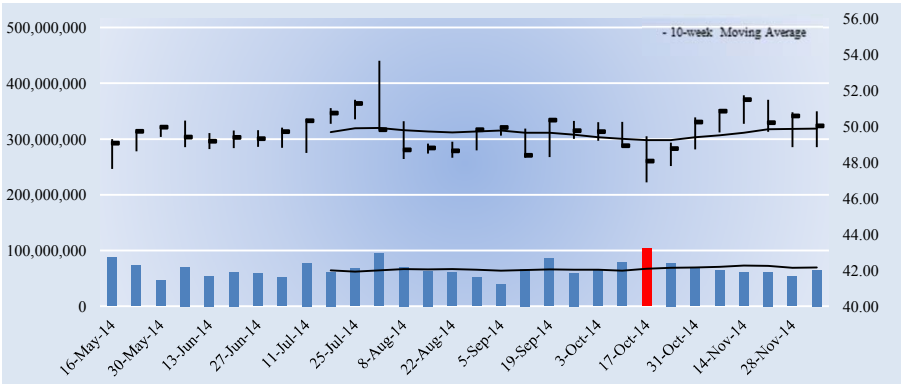
# Verizon VZ FAIRLY VALUED

**Buying Index™** 7 **Value Rating**

| Economic Castle | Stock Fair Value Range | Dividend Track Record | Dividend Safety / Cushion™ | Div Growth Potential | Dividend Yield |
|---|---|---|---|---|---|
| Attractive | $45.00 - $67.00 | HEALTHY | GOOD / 2 | GOOD | 4.40% |

## Verizon's Dividend Cushion ratio is holding strong.

### Stock Chart (weekly)




### Key Dividend Considerations

| | |
|---|---|
| Current Annual Dividend Yield | **4.40%** |
| Annual Dividends per Share | **$2.20** |
| Initial Annual Div's Paid, $10k Investment | **$439.74** |
| Dividend Track Record | **HEALTHY** |
| Dividend Safety | **GOOD** |
| Valuentum Dividend Cushion™ | **2.0** |
| Dividend Growth Potential | **GOOD** |
| Risk of Capital Loss | **MEDIUM** |
| ValueRisk™ (Equity Margin of Safety) | **LOW** |

The Valuentum Dividend Cushion is a ratio that compares the firm's excess cash and cash flow to its future dividend stream. A score above 1 indicates cash flow is sufficient to cover future dividends (higher is better).

### Dividend Strength

| Dividend Safety \ Dividend Growth | Very Poor | Poor | Good | Excellent |
|---|---|---|---|---|
| Excellent | | | | |
| Good | | | ■ | |
| Poor | | | | |
| Very Poor | | | | |

Firms that have safe and growing dividends score at the top right of our scale.

### Company Vitals

| | |
|---|---|
| Market Cap (USD) | $143,786 |
| Avg Weekly Vol (30 wks) | 66,533 |
| 30-week Range (USD) | 46.89 - 53.66 |
| Valuentum Sector | Telecom Services |
| Last Fiscal Year Revenue | 120,550 |
| Last Fiscal Year EPS | 4.00 |
| Last Fiscal Year EBITDA | 48,574 |
| Forward Revenue Growth (5-yr) | 3.3% |
| Forward EPS Growth (5-yr) | 1.8% |

### Dividend Vitals

| | |
|---|---|
| Current Annual Dividend Yield % | 4.4% |
| Annual Dividends Per Share | 2.20 |
| Forward Dividend Payout Ratio | 62.8% |
| 3-yr Historical Dividend CAGR | 3.9% |
| 15-yr Historical Dividend CAGR | 2.4% |
| 3-yr Hist Median Div Payout Ratio | 230.6% |
| 15-yr Hist Median Div Payout Ratio | 86.8% |

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

### Initial Annual Income Per Investment ($)

| # of Shares | Investment ($) | Annual Div's ($) |
|---|---|---|
| 25 | 1,250.75 | 55.00 |
| 50 | 2,501.50 | 110.00 |
| 100 | 5,003.00 | 220.00 |
| 200 | 10,006.00 | 440.00 |
| 300 | 15,009.00 | 660.00 |
| 400 | 20,012.00 | 880.00 |
| 500 | 25,015.00 | 1,100.00 |
| 1,000 | 50,030.00 | 2,200.00 |
| 2,000 | 100,060.00 | 4,400.00 |
| 5,000 | 250,150.00 | 11,000.00 |
| 10,000 | 500,300.00 | 22,000.00 |
| 50,000 | 2,501,500.00 | 110,000.00 |
| 100,000 | 5,003,000.00 | 220,000.00 |

Initial annual income is based on the firm's current forward annual dividend yield and could be subject to change.

### Dividend Safety / Cushion — GOOD / 2

We assess the safety of a firm's dividend by adding the company's net cash to our forecast of its free cash flows over the next five years. We then divide that sum by the total expected dividends over the next five years. This process results in our Dividend Cushion™ ratio. A Dividend Cushion™ above 1 indicates a firm can cover its future dividends with net cash on hand and future free cash flow, while a score below 1 signals trouble may be on the horizon. And by extension, the greater the score, the safer the dividend, as excess cash can be used to offset any unexpected earnings shortfall. Verizon scores a 2 on our Dividend Cushion™, which is GOOD.

### Dividend Growth Potential — GOOD

We judge the future potential growth of the dividend by evaluating the capacity for future increases, as measured by the Dividend Cushion™, and management's willingness to consistently raise the dividend, as measured by the firm's dividend track record. Verizon registers an GOOD rating on our scale, and we think the firm's annual dividend will be $2.57 per share within the next several years.

### Risk of Capital Loss — MEDIUM

We assess the risk of capital loss based on our analysis of a firm's intrinsic value at this point in time. If the stock is undervalued (based on our DCF process), we think the risk of failing to recoup one's original capital investment (ex dividends) is relatively LOW. If the stock is fairly valued (it falls within our fair value estimate range), we think the likelihood of losing capital (ex dividends) is MEDIUM. If the stock is trading above our estimate of its intrinsic value, we think the likelihood of losing at least a portion of one's original investment (ex dividends) is HIGH. Verizon registers a score of MEDIUM on our scale.

### Dividend Track Record — HEALTHY

| Fiscal Year | Div's/Share ($) | Div Growth % | EPS ($) | Payout Ratio |
|---|---|---|---|---|
| Dec-99 | 1.54 | 0.0 | 2.66 | 57.9% |
| Dec-00 | 1.54 | 0.0 | 3.95 | 39.0% |
| Dec-01 | 1.54 | 0.0 | 0.22 | 700.0% |
| Dec-02 | 1.54 | 0.0 | 1.67 | 92.2% |
| Dec-03 | 1.54 | 0.0 | 1.27 | 121.3% |
| Dec-04 | 1.54 | 0.0 | 2.59 | 59.5% |
| Dec-05 | 1.60 | 3.9 | 2.65 | 60.4% |
| Dec-06 | 1.62 | 1.3 | 1.88 | 86.2% |
| Dec-07 | 1.65 | 1.9 | 1.90 | 86.8% |
| Dec-08 | 1.75 | 6.1 | 2.26 | 77.4% |
| Dec-09 | 1.86 | 6.3 | 1.29 | 144.2% |
| Dec-10 | 1.91 | 2.7 | 0.90 | 212.2% |
| Dec-11 | 1.96 | 2.6 | 0.85 | 230.6% |
| Dec-12 | 2.02 | 3.1 | 0.31 | 651.6% |
| Dec-13 | 2.08 | 3.0 | 4.00 | 52.0% |
| ***Dec-14*** | ***2.20*** | ***5.8*** | ***3.50*** | ***62.8%*** |
| *Dec-15* | *2.29* | *4.0* | *3.86* | *59.3%* |
| *Dec-16* | *2.38* | *4.0* | *4.03* | *59.1%* |
| *Dec-17* | *2.47* | *4.0* | *4.19* | *59.0%* |
| *Dec-18* | *2.57* | *4.0* | *4.37* | *58.9%* |

Light green shading denotes a dividend increase, while light red shading denotes a dividend decrease. Heavy green shading denotes a significant dividend increase, while heavy red shading denotes a significant dividend decrease or an excessive payout ratio. NA = Not Applicable.

To view our full 16-page equity report on Verizon, please visit our website at www.valuentum.com



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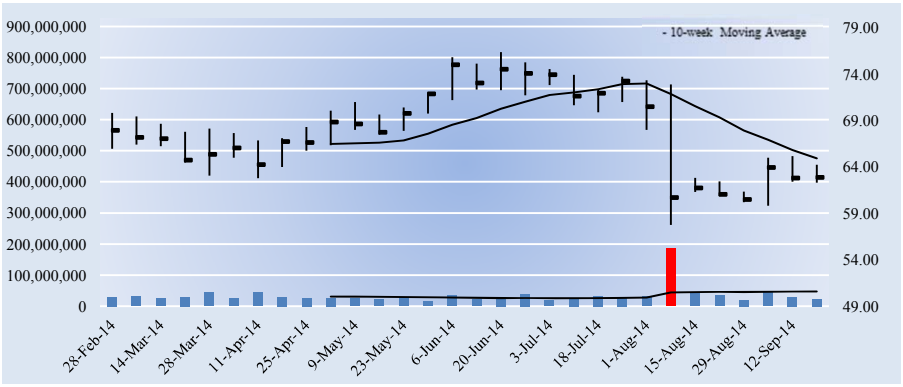
# Walgreen WAG FAIRLY VALUED

**Buying Index™** 3 **Value Rating**

| Economic Castle | Stock Fair Value Range | Dividend Track Record | Dividend Safety / Cushion™ | Div Growth Potential | Dividend Yield |
|---|---|---|---|---|---|
| Attractive | $46.00 - $70.00 | HEALTHY | GOOD / 1.9 | EXCELLENT | 2.00% |

## Walgreen's dividend growth profile is worth a look.

### Stock Chart (weekly)




### Key Dividend Considerations

| | |
|---|---|
| Current Annual Dividend Yield | **2.00%** |
| Annual Dividends per Share | **$1.26** |
| Initial Annual Div's Paid, $10k Investment | **$200.38** |
| Dividend Track Record | **HEALTHY** |
| Dividend Safety | **GOOD** |
| Valuentum Dividend Cushion™ | **1.9** |
| Dividend Growth Potential | **EXCELLENT** |
| Risk of Capital Loss | **MEDIUM** |
| ValueRisk™ (Equity Margin of Safety) | **LOW** |

The Valuentum Dividend Cushion is a ratio that compares the firm's excess cash and cash flow to its future dividend stream. A score above 1 indicates cash flow is sufficient to cover future dividends (higher is better).

### Dividend Strength

| Dividend Safety \ Dividend Growth | Very Poor | Poor | Good | Excellent |
|---|---|---|---|---|
| Excellent | | | | |
| Good | | | | ■ |
| Poor | | | | |
| Very Poor | | | | |

Firms that have safe and growing dividends score at the top right of our scale.

### Company Vitals

| | |
|---|---|
| Market Cap (USD) | $60,063 |
| Avg Weekly Vol (30 wks) | 34,802 |
| 30-week Range (USD) | 57.75 - 76.39 |
| Valuentum Sector | Consumer Staples |
| Last Fiscal Year Revenue | 72,217 |
| Last Fiscal Year EPS | 2.56 |
| Last Fiscal Year EBITDA | 4,859 |
| Forward Revenue Growth (5-yr) | 5.2% |
| Forward EPS Growth (5-yr) | 13.0% |

### Dividend Vitals

| | |
|---|---|
| Current Annual Dividend Yield % | 2.0% |
| Annual Dividends Per Share | 1.26 |
| Forward Dividend Payout Ratio | 37.9% |
| 3-yr Historical Dividend CAGR | 18.9% |
| 15-yr Historical Dividend CAGR | NA |
| 3-yr Hist Median Div Payout Ratio | 39.3% |
| 15-yr Hist Median Div Payout Ratio | 16.3% |

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

### Initial Annual Income Per Investment ($)

| # of Shares | Investment ($) | Annual Div's ($) |
|---|---|---|
| 25 | 1,572.00 | 31.50 |
| 50 | 3,144.00 | 63.00 |
| 100 | 6,288.00 | 126.00 |
| 200 | 12,576.00 | 252.00 |
| 300 | 18,864.00 | 378.00 |
| 400 | 25,152.00 | 504.00 |
| 500 | 31,440.00 | 630.00 |
| 1,000 | 62,880.00 | 1,260.00 |
| 2,000 | 125,760.00 | 2,520.00 |
| 5,000 | 314,400.00 | 6,300.00 |
| 10,000 | 628,800.00 | 12,600.00 |
| 50,000 | 3,144,000.00 | 63,000.00 |
| 100,000 | 6,288,000.00 | 126,000.00 |

Initial annual income is based on the firm's current forward annual dividend yield and could be subject to change.

### Dividend Safety / Cushion — GOOD / 1.9

We assess the safety of a firm's dividend by adding the company's net cash to our forecast of its free cash flows over the next five years. We then divide that sum by the total expected dividends over the next five years. This process results in our Dividend Cushion™ ratio. A Dividend Cushion™ above 1 indicates a firm can cover its future dividends with net cash on hand and future free cash flow, while a score below 1 signals trouble may be on the horizon. And by extension, the greater the score, the safer the dividend, as excess cash can be used to offset any unexpected earnings shortfall. Walgreen scores a 1.9 on our Dividend Cushion™, which is GOOD.

### Dividend Growth Potential — EXCELLENT

We judge the future potential growth of the dividend by evaluating the capacity for future increases, as measured by the Dividend Cushion™, and management's willingness to consistently raise the dividend, as measured by the firm's dividend track record. Walgreen registers an EXCELLENT rating on our scale, and we think the firm's annual dividend will be $2.23 per share within the next several years.

### Risk of Capital Loss — MEDIUM

We assess the risk of capital loss based on our analysis of a firm's intrinsic value at this point in time. If the stock is undervalued (based on our DCF process), we think the risk of failing to recoup one's original capital investment (ex dividends) is relatively LOW. If the stock is fairly valued (it falls within our fair value estimate range), we think the likelihood of losing capital (ex dividends) is MEDIUM. If the stock is trading above our estimate of its intrinsic value, we think the likelihood of losing at least a portion of one's original investment (ex dividends) is HIGH. Walgreen registers a score of MEDIUM on our scale.

### Dividend Track Record — HEALTHY

| Fiscal Year | Div's/Share ($) | Div Growth % | EPS ($) | Payout Ratio |
|---|---|---|---|---|
| Aug-99 | NA | 0.0 | 0.62 | 0.0% |
| Aug-00 | 0.13 | 0.0 | 0.76 | 17.1% |
| Aug-01 | 0.14 | 7.7 | 0.86 | 16.3% |
| Aug-02 | 0.14 | 0.0 | 0.99 | 14.1% |
| Aug-03 | 0.15 | 7.1 | 1.14 | 13.2% |
| Aug-04 | 0.17 | 13.3 | 1.32 | 12.9% |
| Aug-05 | 0.21 | 23.5 | 1.52 | 13.8% |
| Aug-06 | 0.26 | 23.8 | 1.72 | 15.1% |
| Aug-07 | 0.31 | 19.2 | 2.03 | 15.3% |
| Aug-08 | 0.38 | 22.6 | 2.17 | 17.5% |
| Aug-09 | 0.48 | 26.3 | 2.02 | 23.8% |
| Aug-10 | 0.59 | 22.9 | 2.12 | 27.8% |
| Aug-11 | 0.75 | 27.1 | 2.94 | 25.5% |
| Aug-12 | 0.95 | 26.7 | 2.42 | 39.3% |
| Aug-13 | 1.14 | 20.0 | 2.56 | 44.5% |
| ***Aug-14*** | ***1.26*** | ***10.5*** | ***3.32*** | ***37.9%*** |
| *Aug-15* | *1.58* | *25.0* | *3.62* | *43.6%* |
| *Aug-16* | *1.81* | *15.0* | *3.98* | *45.5%* |
| *Aug-17* | *2.03* | *12.0* | *4.35* | *46.7%* |
| *Aug-18* | *2.23* | *10.0* | *4.72* | *47.3%* |

Light green shading denotes a dividend increase, while light red shading denotes a dividend decrease. Heavy green shading denotes a significant dividend increase, while heavy red shading denotes a significant dividend decrease or an excessive payout ratio. NA = Not Applicable.

To view our full 16-page equity report on Walgreen, please visit our website at www.valuentum.com



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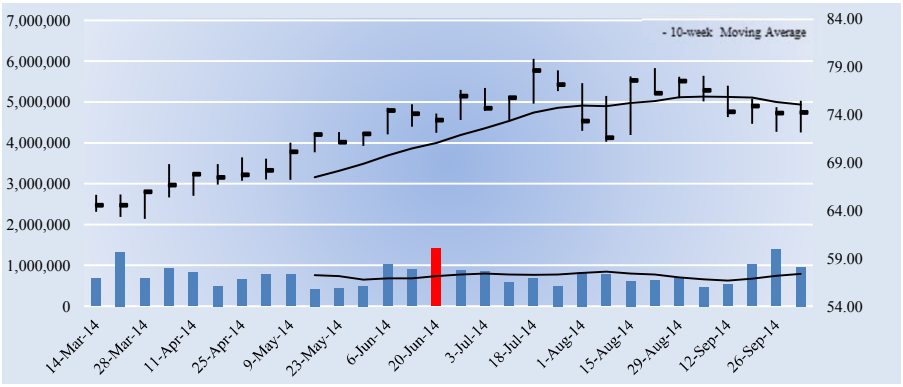
# Western Gas WES FAIRLY VALUED

**Buying Index™** 3 **Value Rating**

| Economic Castle | Stock Fair Value Range | Dividend Track Record | Dividend Safety / Cushion™ | Div Growth Potential | Dividend Yield |
|---|---|---|---|---|---|
| Neutral | $50.00 - $83.00 | HEALTHY | GOOD / 1.5 | EXCELLENT | 3.50% |

**Western Gas' primary business objective is to increase its cash distribution per unit over time.**

## Stock Chart (weekly)




## Company Vitals

| | |
|---|---|
| Market Cap (USD) | $8,155 |
| Avg Weekly Vol (30 wks) | 775 |
| 30-week Range (USD) | 63.13 - 79.81 |
| Valuentum Sector | Energy |
| Last Fiscal Year Revenue | 1,053 |
| Last Fiscal Year EPS | 2.50 |
| Last Fiscal Year EBITDA | 442 |
| Forward Revenue Growth (5-yr) | 16.9% |
| Forward EPS Growth (5-yr) | 9.8% |

## Dividend Vitals

| | |
|---|---|
| Current Annual Dividend Yield % | 3.5% |
| Annual Dividends Per Share | 2.60 |
| Forward Dividend Payout Ratio | 112.4% |
| 3-yr Historical Dividend CAGR | 17.6% |
| 15-yr Historical Dividend CAGR | NA |
| 3-yr Hist Median Div Payout Ratio | 120.2% |
| 15-yr Hist Median Div Payout Ratio | 0.0% |

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

## Initial Annual Income Per Investment ($)

| # of Shares | Investment ($) | Annual Div's ($) |
|---|---|---|
| 25 | 1,855.50 | 65.00 |
| 50 | 3,711.00 | 130.00 |
| 100 | 7,422.00 | 260.00 |
| 200 | 14,844.00 | 520.00 |
| 300 | 22,266.00 | 780.00 |
| 400 | 29,688.00 | 1,040.00 |
| 500 | 37,110.00 | 1,300.00 |
| 1,000 | 74,220.00 | 2,600.00 |
| 2,000 | 148,440.00 | 5,200.00 |
| 5,000 | 371,100.00 | 13,000.00 |
| 10,000 | 742,200.00 | 26,000.00 |
| 50,000 | 3,711,000.00 | 130,000.00 |
| 100,000 | 7,422,000.00 | 260,000.00 |

Initial annual income is based on the firm's current forward annual dividend yield and could be subject to change.

## Dividend Safety / Cushion — GOOD / 1.5

We assess the safety of a firm's dividend by adding the company's net cash to our forecast of its free cash flows over the next five years. We then divide that sum by the total expected dividends over the next five years. This process results in our Dividend Cushion™ ratio. A Dividend Cushion™ above 1 indicates a firm can cover its future dividends with net cash on hand and future free cash flow, while a score below 1 signals trouble may be on the horizon. And by extension, the greater the score, the safer the dividend, as excess cash can be used to offset any unexpected earnings shortfall. Western Gas scores a 1.5 on our Dividend Cushion™, which is GOOD.

## Dividend Growth Potential — EXCELLENT

We judge the future potential growth of the dividend by evaluating the capacity for future increases, as measured by the Dividend Cushion™, and management's willingness to consistently raise the dividend, as measured by the firm's dividend track record. Western Gas registers an EXCELLENT rating on our scale, and we think the firm's annual dividend will be $3.74 per share within the next several years.

## Risk of Capital Loss — MEDIUM

We assess the risk of capital loss based on our analysis of a firm's intrinsic value at this point in time. If the stock is undervalued (based on our DCF process), we think the risk of failing to recoup one's original capital investment (ex dividends) is relatively LOW. If the stock is fairly valued (it falls within our fair value estimate range), we think the likelihood of losing capital (ex dividends) is MEDIUM. If the stock is trading above our estimate of its intrinsic value, we think the likelihood of losing at least a portion of one's original investment (ex dividends) is HIGH. Western Gas registers a score of MEDIUM on our scale.

## Key Dividend Considerations

| | |
|---|---|
| Current Annual Dividend Yield | **3.50%** |
| Annual Dividends per Share | **$2.60** |
| Initial Annual Div's Paid, $10k Investment | **$350.31** |
| Dividend Track Record | **HEALTHY** |
| Dividend Safety | **GOOD** |
| Valuentum Dividend Cushion™ | **1.5** |
| Dividend Growth Potential | **EXCELLENT** |
| Risk of Capital Loss | **MEDIUM** |
| ValueRisk™ (Equity Margin of Safety) | **MEDIUM** |

The Valuentum Dividend Cushion is a ratio that compares the firm's excess cash and cash flow to its future dividend stream. A score above 1 indicates cash flow is sufficient to cover future dividends (higher is better).

## Dividend Strength

| Dividend Safety \ Dividend Growth | Very Poor | Poor | Good | Excellent |
|---|---|---|---|---|
| Excellent | | | | |
| Good | | | | |
| Poor | | | | |
| Very Poor | | | | |

Firms that have safe and growing dividends score at the top right of our scale.

## Dividend Track Record — HEALTHY

| Fiscal Year | Div's/Share ($) | Div Growth % | EPS ($) | Payout Ratio |
|---|---|---|---|---|
| NA | 0.00 | 0.0 | 0.00 | 0.0% |
| NA | 0.00 | 0.0 | 0.00 | 0.0% |
| NA | 0.00 | 0.0 | 0.00 | 0.0% |
| NA | 0.00 | 0.0 | 0.00 | 0.0% |
| NA | 0.00 | 0.0 | 0.00 | 0.0% |
| NA | 0.00 | 0.0 | 0.00 | 0.0% |
| NA | 0.00 | 0.0 | 0.00 | 0.0% |
| NA | 0.00 | 0.0 | 0.00 | 0.0% |
| NA | 0.00 | 0.0 | 0.00 | 0.0% |
| NA | 0.00 | 0.0 | 0.00 | 0.0% |
| Dec-09 | 1.23 | 0.0 | 1.24 | 99.2% |
| Dec-10 | 1.39 | 13.0 | 1.66 | 83.7% |
| Dec-11 | 1.60 | 15.1 | 1.64 | 97.6% |
| Dec-12 | 1.88 | 17.5 | 0.84 | 223.8% |
| Dec-13 | 2.20 | 17.0 | 1.83 | 120.2% |
| ***Dec-14*** | ***2.60*** | ***18.2*** | ***2.31*** | ***112.4%*** |
| *Dec-15* | *2.91* | *12.0* | *2.53* | *115.3%* |
| *Dec-16* | *3.20* | *10.0* | *3.02* | *106.2%* |
| *Dec-17* | *3.46* | *8.0* | *3.52* | *98.4%* |
| *Dec-18* | *3.74* | *8.0* | *4.00* | *93.4%* |

Light green shading denotes a dividend increase, while light red shading denotes a dividend decrease. Heavy green shading denotes a significant dividend increase, while heavy red shading denotes a significant dividend decrease or an excessive payout ratio. NA = Not Applicable.

To view our full 16-page equity report on Western Gas, please visit our website at www.valuentum.com



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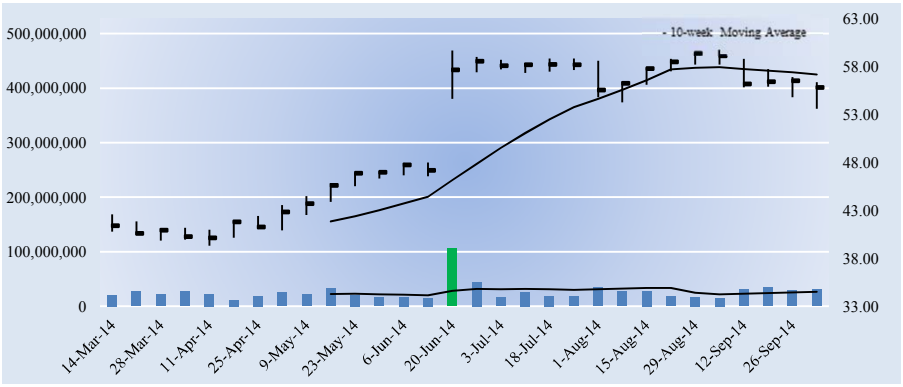
# Williams Co WMB FAIRLY VALUED

**Buying Index™** 3 **Value Rating**

| Economic Castle | Stock Fair Value Range | Dividend Track Record | Dividend Safety / Cushion™ | Div Growth Potential | Dividend Yield |
|---|---|---|---|---|---|
| Attractive | $37.00 - $61.00 | HEALTHY | GOOD / 1.5 | EXCELLENT | 4.01% |

## We're expecting future dividend growth at Williams Co.

### Stock Chart (weekly)




### Key Dividend Considerations

| | |
|---|---|
| Current Annual Dividend Yield | **4.01%** |
| Annual Dividends per Share | **$2.24** |
| Initial Annual Div's Paid, $10k Investment | **$401.22** |
| Dividend Track Record | **HEALTHY** |
| Dividend Safety | **GOOD** |
| Valuentum Dividend Cushion™ | **1.5** |
| Dividend Growth Potential | **EXCELLENT** |
| Risk of Capital Loss | **MEDIUM** |
| ValueRisk™ (Equity Margin of Safety) | **MEDIUM** |

The Valuentum Dividend Cushion is a ratio that compares the firm's excess cash and cash flow to its future dividend stream. A score above 1 indicates cash flow is sufficient to cover future dividends (higher is better).

### Dividend Strength

| Dividend Safety \ Dividend Growth | Very Poor | Poor | Good | Excellent |
|---|---|---|---|---|
| Excellent | | | | |
| Good | | | | |
| Poor | | | | |
| Very Poor | | | | |

Firms that have safe and growing dividends score at the top right of our scale.

### Company Vitals

| | |
|---|---|
| Market Cap (USD) | $38,366 |
| Avg Weekly Vol (30 wks) | 26,278 |
| 30-week Range (USD) | 39.31 - 59.77 |
| Valuentum Sector | Energy |
| Last Fiscal Year Revenue | 6,860 |
| Last Fiscal Year EPS | 0.64 |
| Last Fiscal Year EBITDA | 2,224 |
| Forward Revenue Growth (5-yr) | 19.0% |
| Forward EPS Growth (5-yr) | 33.7% |

### Dividend Vitals

| | |
|---|---|
| Current Annual Dividend Yield % | 4.0% |
| Annual Dividends Per Share | 2.24 |
| Forward Dividend Payout Ratio | 228.6% |
| 3-yr Historical Dividend CAGR | 42.1% |
| 15-yr Historical Dividend CAGR | NA |
| 3-yr Hist Median Div Payout Ratio | 104.3% |
| 15-yr Hist Median Div Payout Ratio | 0.0% |

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

### Initial Annual Income Per Investment ($)

| # of Shares | Investment ($) | Annual Div's ($) |
|---|---|---|
| 25 | 1,395.75 | 56.00 |
| 50 | 2,791.50 | 112.00 |
| 100 | 5,583.00 | 224.00 |
| 200 | 11,166.00 | 448.00 |
| 300 | 16,749.00 | 672.00 |
| 400 | 22,332.00 | 896.00 |
| 500 | 27,915.00 | 1,120.00 |
| 1,000 | 55,830.00 | 2,240.00 |
| 2,000 | 111,660.00 | 4,480.00 |
| 5,000 | 279,150.00 | 11,200.00 |
| 10,000 | 558,300.00 | 22,400.00 |
| 50,000 | 2,791,500.00 | 112,000.00 |
| 100,000 | 5,583,000.00 | 224,000.00 |

Initial annual income is based on the firm's current forward annual dividend yield and could be subject to change.

### Dividend Safety / Cushion — GOOD / 1.5

We assess the safety of a firm's dividend by adding the company's net cash to our forecast of its free cash flows over the next five years. We then divide that sum by the total expected dividends over the next five years. This process results in our Dividend Cushion™ ratio. A Dividend Cushion™ above 1 indicates a firm can cover its future dividends with net cash on hand and future free cash flow, while a score below 1 signals trouble may be on the horizon. And by extension, the greater the score, the safer the dividend, as excess cash can be used to offset any unexpected earnings shortfall. Williams Co scores a 1.5 on our Dividend Cushion™, which is GOOD.

### Dividend Growth Potential — EXCELLENT

We judge the future potential growth of the dividend by evaluating the capacity for future increases, as measured by the Dividend Cushion™, and management's willingness to consistently raise the dividend, as measured by the firm's dividend track record. Williams Co registers an EXCELLENT rating on our scale, and we think the firm's annual dividend will be $3.22 per share within the next several years.

### Risk of Capital Loss — MEDIUM

We assess the risk of capital loss based on our analysis of a firm's intrinsic value at this point in time. If the stock is undervalued (based on our DCF process), we think the risk of failing to recoup one's original capital investment (ex dividends) is relatively LOW. If the stock is fairly valued (it falls within our fair value estimate range), we think the likelihood of losing capital (ex dividends) is MEDIUM. If the stock is trading above our estimate of its intrinsic value, we think the likelihood of losing at least a portion of one's original investment (ex dividends) is HIGH. Williams Co registers a score of MEDIUM on our scale.

### Dividend Track Record — HEALTHY

| Fiscal Year | Div's/Share ($) | Div Growth % | EPS ($) | Payout Ratio |
|---|---|---|---|---|
| Dec-99 | NA | 0.0 | 0.36 | 0.0% |
| Dec-00 | NA | 0.0 | 1.95 | 0.0% |
| Dec-01 | NA | 0.0 | 1.67 | 0.0% |
| Dec-02 | NA | 0.0 | -1.14 | 0.0% |
| Dec-03 | NA | 0.0 | -0.03 | 0.0% |
| Dec-04 | NA | 0.0 | 0.18 | 0.0% |
| Dec-05 | NA | 0.0 | 0.53 | 0.0% |
| Dec-06 | 0.35 | 0.0 | 0.55 | 63.6% |
| Dec-07 | 0.39 | 11.4 | 1.40 | 27.9% |
| Dec-08 | 0.43 | 10.3 | 2.26 | 19.0% |
| Dec-09 | 0.44 | 2.3 | 0.75 | 58.7% |
| Dec-10 | 0.49 | 11.4 | -1.87 | -26.2% |
| Dec-11 | 0.78 | 59.2 | 1.34 | 58.2% |
| Dec-12 | 1.20 | 53.8 | 1.15 | 104.3% |
| Dec-13 | 1.44 | 20.0 | 0.64 | 225.0% |
| ***Dec-14*** | ***2.24*** | ***55.6*** | ***0.98*** | ***228.6%*** |
| *Dec-15* | *2.51* | *12.0* | *1.46* | *171.3%* |
| *Dec-16* | *2.76* | *10.0* | *2.02* | *136.4%* |
| *Dec-17* | *2.98* | *8.0* | *2.48* | *120.3%* |
| *Dec-18* | *3.22* | *8.0* | *2.74* | *117.6%* |

Light green shading denotes a dividend increase, while light red shading denotes a dividend decrease. Heavy green shading denotes a significant dividend increase, while heavy red shading denotes a significant dividend decrease or an excessive payout ratio. NA = Not Applicable.

To view our full 16-page equity report on Williams Co, please visit our website at www.valuentum.com



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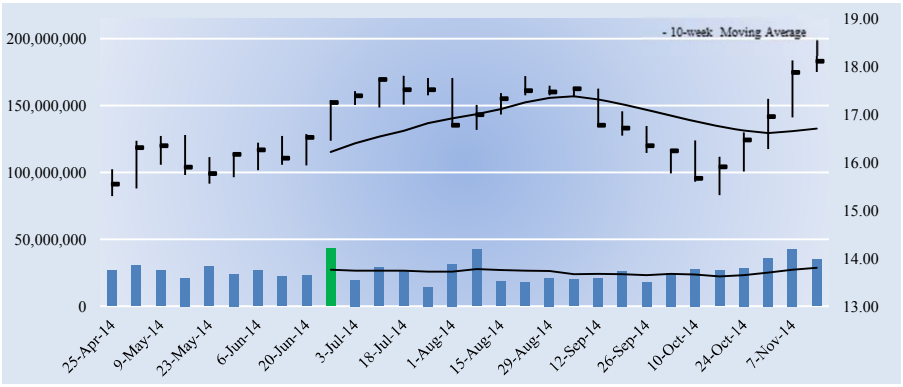
# Western Union WU FAIRLY VALUED

**Buying Index™** 6 **Value Rating**

| Economic Castle | Stock Fair Value Range | Dividend Track Record | Dividend Safety / Cushion™ | Div Growth Potential | Dividend Yield |
|---|---|---|---|---|---|
| Attractive | $18.00 - $26.00 | HEALTHY | GOOD / 2.5 | EXCELLENT | 2.76% |

**Though competitive pressures to its business cannot be ignored, Western Union scores well on our dividend metrics.**

## Stock Chart (weekly)




## Company Vitals

| | |
|---|---|
| Market Cap (USD) | $10,136 |
| Avg Weekly Vol (30 wks) | 26,712 |
| 30-week Range (USD) | 15.3 - 18.55 |
| Valuentum Sector | Information Technology |
| Last Fiscal Year Revenue | 5,542 |
| Last Fiscal Year EPS | 1.43 |
| Last Fiscal Year EBITDA | 1,370 |
| Forward Revenue Growth (5-yr) | 1.2% |
| Forward EPS Growth (5-yr) | 4.1% |

## Dividend Vitals

| | |
|---|---|
| Current Annual Dividend Yield % | 2.8% |
| Annual Dividends Per Share | 0.50 |
| Forward Dividend Payout Ratio | 32.8% |
| 3-yr Historical Dividend CAGR | 17.3% |
| 15-yr Historical Dividend CAGR | NA |
| 3-yr Hist Median Div Payout Ratio | 25.4% |
| 15-yr Hist Median Div Payout Ratio | 0.0% |

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

## Initial Annual Income Per Investment ($)

| # of Shares | Investment ($) | Annual Div's ($) |
|---|---|---|
| 25 | 452.75 | 12.50 |
| 50 | 905.50 | 25.00 |
| 100 | 1,811.00 | 50.00 |
| 200 | 3,622.00 | 100.00 |
| 300 | 5,433.00 | 150.00 |
| 400 | 7,244.00 | 200.00 |
| 500 | 9,055.00 | 250.00 |
| 1,000 | 18,110.00 | 500.00 |
| 2,000 | 36,220.00 | 1,000.00 |
| 5,000 | 90,550.00 | 2,500.00 |
| 10,000 | 181,100.00 | 5,000.00 |
| 50,000 | 905,500.00 | 25,000.00 |
| 100,000 | 1,811,000.00 | 50,000.00 |

Initial annual income is based on the firm's current forward annual dividend yield and could be subject to change.

## Dividend Safety / Cushion — GOOD / 2.5

We assess the safety of a firm's dividend by adding the company's net cash to our forecast of its free cash flows over the next five years. We then divide that sum by the total expected dividends over the next five years. This process results in our Dividend Cushion™ ratio. A Dividend Cushion™ above 1 indicates a firm can cover its future dividends with net cash on hand and future free cash flow, while a score below 1 signals trouble may be on the horizon. And by extension, the greater the score, the safer the dividend, as excess cash can be used to offset any unexpected earnings shortfall. Western Union scores a 2.5 on our Dividend Cushion™, which is GOOD.

## Dividend Growth Potential — EXCELLENT

We judge the future potential growth of the dividend by evaluating the capacity for future increases, as measured by the Dividend Cushion™, and management's willingness to consistently raise the dividend, as measured by the firm's dividend track record. Western Union registers an EXCELLENT rating on our scale, and we think the firm's annual dividend will be $0.77 per share within the next several years.

## Risk of Capital Loss — MEDIUM

We assess the risk of capital loss based on our analysis of a firm's intrinsic value at this point in time. If the stock is undervalued (based on our DCF process), we think the risk of failing to recoup one's original capital investment (ex dividends) is relatively LOW. If the stock is fairly valued (it falls within our fair value estimate range), we think the likelihood of losing capital (ex dividends) is MEDIUM. If the stock is trading above our estimate of its intrinsic value, we think the likelihood of losing at least a portion of one's original investment (ex dividends) is HIGH. Western Union registers a score of MEDIUM on our scale.

## Key Dividend Considerations

| | |
|---|---|
| Current Annual Dividend Yield | **2.76%** |
| Annual Dividends per Share | **$0.50** |
| Initial Annual Div's Paid, $10k Investment | **$276.09** |
| Dividend Track Record | **HEALTHY** |
| Dividend Safety | **GOOD** |
| Valuentum Dividend Cushion™ | **2.5** |
| Dividend Growth Potential | **EXCELLENT** |
| Risk of Capital Loss | **MEDIUM** |
| ValueRisk™ (Equity Margin of Safety) | **LOW** |

The Valuentum Dividend Cushion is a ratio that compares the firm's excess cash and cash flow to its future dividend stream. A score above 1 indicates cash flow is sufficient to cover future dividends (higher is better).

## Dividend Strength

| Dividend Safety \ Dividend Growth | Very Poor | Poor | Good | Excellent |
|---|---|---|---|---|
| Excellent | | | | |
| Good | | | | |
| Poor | | | | |
| Very Poor | | | | |

Firms that have safe and growing dividends score at the top right of our scale.

## Dividend Track Record — HEALTHY

| Fiscal Year | Div's/Share ($) | Div Growth % | EPS ($) | Payout Ratio |
|---|---|---|---|---|
| NA | NA | 0.0 | 0.00 | 0.0% |
| NA | NA | 0.0 | 0.00 | 0.0% |
| NA | NA | 0.0 | 0.00 | 0.0% |
| NA | NA | 0.0 | 0.00 | 0.0% |
| NA | NA | 0.0 | 0.00 | 0.0% |
| NA | NA | 0.0 | 0.00 | 0.0% |
| NA | NA | 0.0 | 0.00 | 0.0% |
| Dec-06 | 0.01 | 0.0 | 1.19 | 0.0% |
| Dec-07 | 0.04 | 300.0 | 1.11 | 3.6% |
| Dec-08 | 0.04 | 0.0 | 1.24 | 3.2% |
| Dec-09 | 0.06 | 50.0 | 1.21 | 5.0% |
| Dec-10 | 0.25 | 316.7 | 1.36 | 18.4% |
| Dec-11 | 0.31 | 24.0 | 1.84 | 16.8% |
| Dec-12 | 0.43 | 38.7 | 1.69 | 25.4% |
| Dec-13 | 0.50 | 16.3 | 1.43 | 35.0% |
| ***Dec-14*** | ***0.50*** | ***0.0*** | ***1.53*** | ***32.8%*** |
| *Dec-15* | *0.58* | *15.0* | *1.60* | *36.0%* |
| *Dec-16* | *0.63* | *10.0* | *1.66* | *38.2%* |
| *Dec-17* | *0.70* | *10.0* | *1.71* | *40.8%* |
| *Dec-18* | *0.77* | *10.0* | *1.74* | *44.0%* |

Light green shading denotes a dividend increase, while light red shading denotes a dividend decrease. Heavy green shading denotes a significant dividend increase, while heavy red shading denotes a significant dividend decrease or an excessive payout ratio. NA = Not Applicable.

To view our full 16-page equity report on Western Union, please visit our website at www.valuentum.com



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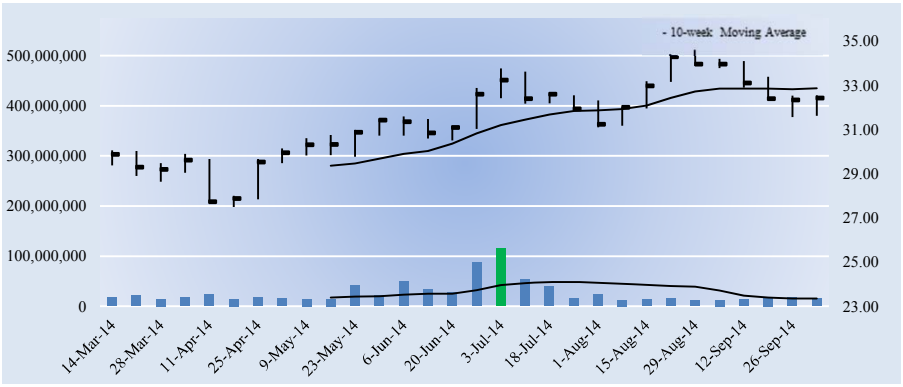
# Weyerhaeuser WY FAIRLY VALUED

**Buying Index™** 3 **Value Rating**

| Economic Castle | Stock Fair Value Range | Dividend Track Record | Dividend Safety / Cushion™ | Div Growth Potential | Dividend Yield |
|---|---|---|---|---|---|
| Attractive | $24.00 - $36.00 | RISKY | GOOD / 2.2 | GOOD | 3.58% |

**Weyerhaeuser has cut its dividend in the past.**

## Stock Chart (weekly)




## Company Vitals

| | |
|---|---|
| Market Cap (USD) | $18,520 |
| Avg Weekly Vol (30 wks) | 26,988 |
| 30-week Range (USD) | 27.48 - 34.6 |
| Valuentum Sector | Materials |
| Last Fiscal Year Revenue | 8,529 |
| Last Fiscal Year EPS | 0.99 |
| Last Fiscal Year EBITDA | 1,584 |
| Forward Revenue Growth (5-yr) | 3.3% |
| Forward EPS Growth (5-yr) | 15.8% |

## Dividend Vitals

| | |
|---|---|
| Current Annual Dividend Yield % | 3.6% |
| Annual Dividends Per Share | 1.16 |
| Forward Dividend Payout Ratio | 85.1% |
| 3-yr Historical Dividend CAGR | 24.6% |
| 15-yr Historical Dividend CAGR | -2.1% |
| 3-yr Hist Median Div Payout Ratio | 87.3% |
| 15-yr Hist Median Div Payout Ratio | 85.3% |

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

## Initial Annual Income Per Investment ($)

| # of Shares | Investment ($) | Annual Div's ($) |
|---|---|---|
| 25 | 810.50 | 29.00 |
| 50 | 1,621.00 | 58.00 |
| 100 | 3,242.00 | 116.00 |
| 200 | 6,484.00 | 232.00 |
| 300 | 9,726.00 | 348.00 |
| 400 | 12,968.00 | 464.00 |
| 500 | 16,210.00 | 580.00 |
| 1,000 | 32,420.00 | 1,160.00 |
| 2,000 | 64,840.00 | 2,320.00 |
| 5,000 | 162,100.00 | 5,800.00 |
| 10,000 | 324,200.00 | 11,600.00 |
| 50,000 | 1,621,000.00 | 58,000.00 |
| 100,000 | 3,242,000.00 | 116,000.00 |

Initial annual income is based on the firm's current forward annual dividend yield and could be subject to change.

## Dividend Safety / Cushion — GOOD / 2.2

We assess the safety of a firm's dividend by adding the company's net cash to our forecast of its free cash flows over the next five years. We then divide that sum by the total expected dividends over the next five years. This process results in our Dividend Cushion™ ratio. A Dividend Cushion™ above 1 indicates a firm can cover its future dividends with net cash on hand and future free cash flow, while a score below 1 signals trouble may be on the horizon. And by extension, the greater the score, the safer the dividend, as excess cash can be used to offset any unexpected earnings shortfall. Weyerhaeuser scores a 2.2 on our Dividend Cushion™, which is GOOD.

## Dividend Growth Potential — GOOD

We judge the future potential growth of the dividend by evaluating the capacity for future increases, as measured by the Dividend Cushion™, and management's willingness to consistently raise the dividend, as measured by the firm's dividend track record. Weyerhaeuser registers an GOOD rating on our scale, and we think the firm's annual dividend will be $1.49 per share within the next several years.

## Risk of Capital Loss — MEDIUM

We assess the risk of capital loss based on our analysis of a firm's intrinsic value at this point in time. If the stock is undervalued (based on our DCF process), we think the risk of failing to recoup one's original capital investment (ex dividends) is relatively LOW. If the stock is fairly valued (it falls within our fair value estimate range), we think the likelihood of losing capital (ex dividends) is MEDIUM. If the stock is trading above our estimate of its intrinsic value, we think the likelihood of losing at least a portion of one's original investment (ex dividends) is HIGH. Weyerhaeuser registers a score of MEDIUM on our scale.

## Key Dividend Considerations

| | |
|---|---|
| Current Annual Dividend Yield | **3.58%** |
| Annual Dividends per Share | **$1.16** |
| Initial Annual Div's Paid, $10k Investment | **$357.80** |
| Dividend Track Record | **RISKY** |
| Dividend Safety | **GOOD** |
| Valuentum Dividend Cushion™ | **2.2** |
| Dividend Growth Potential | **GOOD** |
| Risk of Capital Loss | **MEDIUM** |
| ValueRisk™ (Equity Margin of Safety) | **LOW** |

The Valuentum Dividend Cushion is a ratio that compares the firm's excess cash and cash flow to its future dividend stream. A score above 1 indicates cash flow is sufficient to cover future dividends (higher is better).

## Dividend Strength

| Dividend Safety \ Dividend Growth | Very Poor | Poor | Good | Excellent |
|---|---|---|---|---|
| Excellent | | | | |
| Good | | | ■ | |
| Poor | | | | |
| Very Poor | | | | |

Firms that have safe and growing dividends score at the top right of our scale.

## Dividend Track Record — RISKY

| Fiscal Year | Div's/Share ($) | Div Growth % | EPS ($) | Payout Ratio |
|---|---|---|---|---|
| Dec-99 | 1.60 | 0.0 | 2.98 | 53.7% |
| Dec-00 | 1.60 | 0.0 | 3.72 | 43.0% |
| Dec-01 | 1.60 | 0.0 | 1.61 | 99.4% |
| Dec-02 | 1.60 | 0.0 | 1.09 | 146.8% |
| Dec-03 | 1.60 | 0.0 | 1.30 | 123.1% |
| Dec-04 | 1.60 | 0.0 | 5.43 | 29.5% |
| Dec-05 | 1.90 | 18.8 | 2.36 | 80.5% |
| Dec-06 | 2.20 | 15.8 | 1.44 | 152.8% |
| Dec-07 | 2.40 | 9.1 | 0.23 | 1043.5% |
| Dec-08 | 2.40 | 0.0 | -8.61 | -27.9% |
| Dec-09 | 0.22 | -90.8 | -0.95 | -23.2% |
| Dec-10 | 0.14 | -36.4 | 3.99 | 3.5% |
| Dec-11 | 0.60 | 328.6 | 0.59 | 101.7% |
| Dec-12 | 0.62 | 3.3 | 0.71 | 87.3% |
| Dec-13 | 0.81 | 30.6 | 0.95 | 85.3% |
| ***Dec-14*** | ***1.16*** | ***43.2*** | ***1.36*** | ***85.1%*** |
| *Dec-15* | *1.25* | *8.0* | *1.68* | *74.7%* |
| *Dec-16* | *1.34* | *7.0* | *1.80* | *74.3%* |
| *Dec-17* | *1.42* | *6.0* | *1.93* | *73.6%* |
| *Dec-18* | *1.49* | *5.0* | *2.05* | *72.6%* |

Light green shading denotes a dividend increase, while light red shading denotes a dividend decrease. Heavy green shading denotes a significant dividend increase, while heavy red shading denotes a significant dividend decrease or an excessive payout ratio. NA = Not Applicable.

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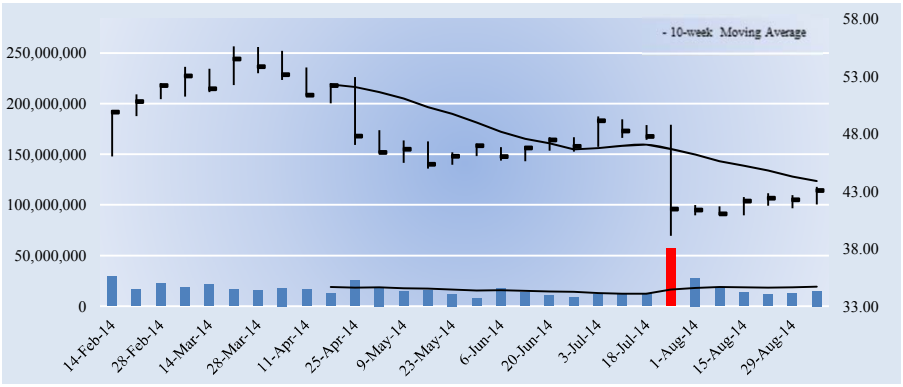
# Xilinx XLNX FAIRLY VALUED

**Buying Index™** 3 **Value Rating**

| Economic Castle | Stock Fair Value Range | Dividend Track Record | Dividend Safety / Cushion™ | Div Growth Potential | Dividend Yield |
|---|---|---|---|---|---|
| Highest Rated | $39.00 - $59.00 | HEALTHY | EXCELLENT / 2.9 | EXCELLENT | 2.69% |

**The growth potential and safety of Xilinx's dividend are attractive, and the size of its yield makes the firm worth considering as a potential income play.**

## Stock Chart (weekly)




## Key Dividend Considerations

| | |
|---|---|
| Current Annual Dividend Yield | **2.69%** |
| Annual Dividends per Share | **$1.16** |
| Initial Annual Div's Paid, $10k Investment | **$269.39** |
| Dividend Track Record | **HEALTHY** |
| Dividend Safety | **EXCELLENT** |
| Valuentum Dividend Cushion™ | **2.9** |
| Dividend Growth Potential | **EXCELLENT** |
| Risk of Capital Loss | **MEDIUM** |
| ValueRisk™ (Equity Margin of Safety) | **LOW** |

The Valuentum Dividend Cushion is a ratio that compares the firm's excess cash and cash flow to its future dividend stream. A score above 1 indicates cash flow is sufficient to cover future dividends (higher is better).

## Dividend Strength

| Dividend Safety \ Dividend Growth | Very Poor | Poor | Good | Excellent |
|---|---|---|---|---|
| Excellent | | | | |
| Good | | | | |
| Poor | | | | |
| Very Poor | | | | |

Firms that have safe and growing dividends score at the top right of our scale.

## Company Vitals

| | |
|---|---|
| Market Cap (USD) | $12,375 |
| Avg Weekly Vol (30 wks) | 17,465 |
| 30-week Range (USD) | 39.12 - 55.59 |
| Valuentum Sector | Information Technology |
| Last Fiscal Year Revenue | 2,383 |
| Last Fiscal Year EPS | 2.19 |
| Last Fiscal Year EBITDA | 850 |
| Forward Revenue Growth (5-yr) | 6.5% |
| Forward EPS Growth (5-yr) | 7.8% |

## Dividend Vitals

| | |
|---|---|
| Current Annual Dividend Yield % | 2.7% |
| Annual Dividends Per Share | 1.16 |
| Forward Dividend Payout Ratio | 48.1% |
| 3-yr Historical Dividend CAGR | 15.1% |
| 15-yr Historical Dividend CAGR | NA |
| 3-yr Hist Median Div Payout Ratio | 45.7% |
| 15-yr Hist Median Div Payout Ratio | 28.0% |

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

## Initial Annual Income Per Investment ($)

| # of Shares | Investment ($) | Annual Div's ($) |
|---|---|---|
| 25 | 1,076.50 | 29.00 |
| 50 | 2,153.00 | 58.00 |
| 100 | 4,306.00 | 116.00 |
| 200 | 8,612.00 | 232.00 |
| 300 | 12,918.00 | 348.00 |
| 400 | 17,224.00 | 464.00 |
| 500 | 21,530.00 | 580.00 |
| 1,000 | 43,060.00 | 1,160.00 |
| 2,000 | 86,120.00 | 2,320.00 |
| 5,000 | 215,300.00 | 5,800.00 |
| 10,000 | 430,600.00 | 11,600.00 |
| 50,000 | 2,153,000.00 | 58,000.00 |
| 100,000 | 4,306,000.00 | 116,000.00 |

Initial annual income is based on the firm's current forward annual dividend yield and could be subject to change.

## Dividend Safety / Cushion — EXCELLENT / 2.9

We assess the safety of a firm's dividend by adding the company's net cash to our forecast of its free cash flows over the next five years. We then divide that sum by the total expected dividends over the next five years. This process results in our Dividend Cushion™ ratio. A Dividend Cushion™ above 1 indicates a firm can cover its future dividends with net cash on hand and future free cash flow, while a score below 1 signals trouble may be on the horizon. And by extension, the greater the score, the safer the dividend, as excess cash can be used to offset any unexpected earnings shortfall. Xilinx scores a 2.9 on our Dividend Cushion™, which is EXCELLENT.

## Dividend Growth Potential — EXCELLENT

We judge the future potential growth of the dividend by evaluating the capacity for future increases, as measured by the Dividend Cushion™, and management's willingness to consistently raise the dividend, as measured by the firm's dividend track record. Xilinx registers an EXCELLENT rating on our scale, and we think the firm's annual dividend will be $1.74 per share within the next several years.

## Risk of Capital Loss — MEDIUM

We assess the risk of capital loss based on our analysis of a firm's intrinsic value at this point in time. If the stock is undervalued (based on our DCF process), we think the risk of failing to recoup one's original capital investment (ex dividends) is relatively LOW. If the stock is fairly valued (it falls within our fair value estimate range), we think the likelihood of losing capital (ex dividends) is MEDIUM. If the stock is trading above our estimate of its intrinsic value, we think the likelihood of losing at least a portion of one's original investment (ex dividends) is HIGH. Xilinx registers a score of MEDIUM on our scale.

## Dividend Track Record — HEALTHY

| Fiscal Year | Div's/Share ($) | Div Growth % | EPS ($) | Payout Ratio |
|---|---|---|---|---|
| NA | 0.00 | 0.0 | 1.90 | 0.0% |
| Mar-01 | 0.00 | 0.0 | 0.10 | 0.0% |
| Mar-02 | 0.00 | 0.0 | -0.34 | 0.0% |
| Mar-03 | 0.00 | 0.0 | 0.36 | 0.0% |
| Mar-04 | 0.00 | 0.0 | 0.85 | 0.0% |
| Mar-05 | 0.20 | 0.0 | 0.87 | 23.0% |
| Mar-06 | 0.28 | 40.0 | 1.00 | 28.0% |
| Mar-07 | 0.36 | 28.6 | 1.02 | 35.3% |
| Mar-08 | 0.48 | 33.3 | 1.25 | 38.4% |
| Mar-09 | 0.56 | 16.7 | 1.36 | 41.2% |
| Mar-10 | 0.60 | 7.1 | 1.29 | 46.5% |
| Mar-11 | 0.64 | 6.7 | 2.39 | 26.8% |
| Mar-12 | 0.76 | 18.8 | 1.95 | 39.0% |
| Mar-13 | 0.88 | 15.8 | 1.79 | 49.2% |
| Mar-14 | 1.00 | 13.6 | 2.19 | 45.7% |
| ***Mar-15*** | ***1.16*** | ***16.0*** | ***2.41*** | ***48.1%*** |
| *Mar-16* | *1.30* | *12.0* | *2.62* | *49.7%* |
| *Mar-17* | *1.44* | *11.0* | *2.85* | *50.7%* |
| *Mar-18* | *1.59* | *10.0* | *3.04* | *52.2%* |
| *Mar-19* | *1.74* | *10.0* | *3.19* | *54.7%* |

Light green shading denotes a dividend increase, while light red shading denotes a dividend decrease. Heavy green shading denotes a significant dividend increase, while heavy red shading denotes a significant dividend decrease or an excessive payout ratio. NA = Not Applicable.

To view our full 16-page equity report on Xilinx, please visit our website at www.valuentum.com



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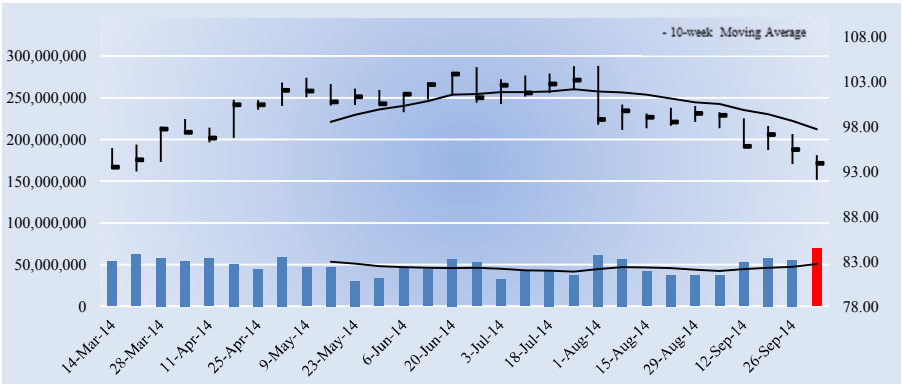
# Exxon Mobil XOM FAIRLY VALUED

**Buying Index™** 3 **Value Rating**

| Economic Castle | Stock Fair Value Range | Dividend Track Record | Dividend Safety / Cushion™ | Div Growth Potential | Dividend Yield |
|---|---|---|---|---|---|
| Attractive | $73.00 - $109.00 | HEALTHY | GOOD / 1.9 | EXCELLENT | 2.94% |

## Exxon Mobil's dividend has many years of fantastic growth ahead of it.

### Stock Chart (weekly)




### Company Vitals

| | |
|---|---|
| Market Cap (USD) | $415,032 |
| Avg Weekly Vol (30 wks) | 48,473 |
| 30-week Range (USD) | 92.06 - 104.76 |
| Valuentum Sector | Energy |
| Last Fiscal Year Revenue | 438,255 |
| Last Fiscal Year EPS | 7.37 |
| Last Fiscal Year EBITDA | 91,564 |
| Forward Revenue Growth (5-yr) | 0.3% |
| Forward EPS Growth (5-yr) | 4.6% |

### Dividend Vitals

| | |
|---|---|
| Current Annual Dividend Yield % | 2.9% |
| Annual Dividends Per Share | 2.76 |
| Forward Dividend Payout Ratio | 35.5% |
| 3-yr Historical Dividend CAGR | 14.3% |
| 15-yr Historical Dividend CAGR | 8.3% |
| 3-yr Hist Median Div Payout Ratio | 22.5% |
| 15-yr Hist Median Div Payout Ratio | 28.0% |

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

### Initial Annual Income Per Investment ($)

| # of Shares | Investment ($) | Annual Div's ($) |
|---|---|---|
| 25 | 2,348.00 | 69.00 |
| 50 | 4,696.00 | 138.00 |
| 100 | 9,392.00 | 276.00 |
| 200 | 18,784.00 | 552.00 |
| 300 | 28,176.00 | 828.00 |
| 400 | 37,568.00 | 1,104.00 |
| 500 | 46,960.00 | 1,380.00 |
| 1,000 | 93,920.00 | 2,760.00 |
| 2,000 | 187,840.00 | 5,520.00 |
| 5,000 | 469,600.00 | 13,800.00 |
| 10,000 | 939,200.00 | 27,600.00 |
| 50,000 | 4,696,000.00 | 138,000.00 |
| 100,000 | 9,392,000.00 | 276,000.00 |

Initial annual income is based on the firm's current forward annual dividend yield and could be subject to change.

### Dividend Safety / Cushion — GOOD / 1.9

We assess the safety of a firm's dividend by adding the company's net cash to our forecast of its free cash flows over the next five years. We then divide that sum by the total expected dividends over the next five years. This process results in our Dividend Cushion™ ratio. A Dividend Cushion™ above 1 indicates a firm can cover its future dividends with net cash on hand and future free cash flow, while a score below 1 signals trouble may be on the horizon. And by extension, the greater the score, the safer the dividend, as excess cash can be used to offset any unexpected earnings shortfall. Exxon Mobil scores a 1.9 on our Dividend Cushion™, which is GOOD.

### Dividend Growth Potential — EXCELLENT

We judge the future potential growth of the dividend by evaluating the capacity for future increases, as measured by the Dividend Cushion™, and management's willingness to consistently raise the dividend, as measured by the firm's dividend track record. Exxon Mobil registers an EXCELLENT rating on our scale, and we think the firm's annual dividend will be $3.97 per share within the next several years.

### Risk of Capital Loss — MEDIUM

We assess the risk of capital loss based on our analysis of a firm's intrinsic value at this point in time. If the stock is undervalued (based on our DCF process), we think the risk of failing to recoup one's original capital investment (ex dividends) is relatively LOW. If the stock is fairly valued (it falls within our fair value estimate range), we think the likelihood of losing capital (ex dividends) is MEDIUM. If the stock is trading above our estimate of its intrinsic value, we think the likelihood of losing at least a portion of one's original investment (ex dividends) is HIGH. Exxon Mobil registers a score of MEDIUM on our scale.

### Key Dividend Considerations

| | |
|---|---|
| Current Annual Dividend Yield | **2.94%** |
| Annual Dividends per Share | **$2.76** |
| Initial Annual Div's Paid, $10k Investment | **$293.87** |
| Dividend Track Record | **HEALTHY** |
| Dividend Safety | **GOOD** |
| Valuentum Dividend Cushion™ | **1.9** |
| Dividend Growth Potential | **EXCELLENT** |
| Risk of Capital Loss | **MEDIUM** |
| ValueRisk™ (Equity Margin of Safety) | **LOW** |

The Valuentum Dividend Cushion is a ratio that compares the firm's excess cash and cash flow to its future dividend stream. A score above 1 indicates cash flow is sufficient to cover future dividends (higher is better).

### Dividend Strength

| Dividend Safety \ Dividend Growth | Very Poor | Poor | Good | Excellent |
|---|---|---|---|---|
| Excellent | | | | |
| Good | | | | ■ |
| Poor | | | | |
| Very Poor | | | | |

Firms that have safe and growing dividends score at the top right of our scale.

### Dividend Track Record — HEALTHY

| Fiscal Year | Div's/Share ($) | Div Growth % | EPS ($) | Payout Ratio |
|---|---|---|---|---|
| Dec-99 | 0.84 | 0.0 | 1.13 | 74.3% |
| Dec-00 | 0.88 | 4.8 | 2.28 | 38.6% |
| Dec-01 | 0.91 | 3.4 | 2.18 | 41.7% |
| Dec-02 | 0.92 | 1.1 | 1.61 | 57.1% |
| Dec-03 | 0.98 | 6.5 | 3.15 | 31.1% |
| Dec-04 | 1.06 | 8.2 | 3.89 | 27.2% |
| Dec-05 | 1.14 | 7.5 | 5.71 | 20.0% |
| Dec-06 | 1.28 | 12.3 | 6.62 | 19.3% |
| Dec-07 | 1.37 | 7.0 | 7.28 | 18.8% |
| Dec-08 | 1.55 | 13.1 | 8.69 | 17.8% |
| Dec-09 | 1.66 | 7.1 | 3.98 | 41.7% |
| Dec-10 | 1.74 | 4.8 | 6.22 | 28.0% |
| Dec-11 | 1.85 | 6.3 | 8.42 | 22.0% |
| Dec-12 | 2.18 | 17.8 | 9.70 | 22.5% |
| Dec-13 | 2.46 | 12.8 | 7.37 | 33.4% |
| ***Dec-14*** | ***2.76*** | ***12.2*** | ***7.78*** | ***35.5%*** |
| *Dec-15* | *3.09* | *12.0* | *7.64* | *40.5%* |
| *Dec-16* | *3.40* | *10.0* | *7.98* | *42.6%* |
| *Dec-17* | *3.67* | *8.0* | *8.51* | *43.2%* |
| *Dec-18* | *3.97* | *8.0* | *9.24* | *42.9%* |

Light green shading denotes a dividend increase, while light red shading denotes a dividend decrease. Heavy green shading denotes a significant dividend increase, while heavy red shading denotes a significant dividend decrease or an excessive payout ratio. NA = Not Applicable.

To view our full 16-page equity report on Exxon Mobil, please visit our website at www.valuentum.com



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# The Case for the Valuentum Style of Investing

Brian Nelson, CFA*

First Version: May 2012

**Abstract**

The benefits of value and momentum strategies on an individual basis have been well-documented in financial literature. Academic research has also concluded that a simply-constructed portfolio consisting 50% of a long-short value-oriented portfolio and 50% of a long-short momentum-oriented portfolio produces a higher Sharpe ratio and lower volatility than either value or momentum alone. We study the reasons behind this phenomenon and strive to answer the question: what are the types of stocks that drive such outperformance? Though the benefits of using a combined value and momentum approach in a portfolio management setting have been widely-accepted, we believe we are the first to identify the abnormal-return benefits of investing in a cohort of individual stocks that have both good value and good momentum qualities while shorting a cohort of individual stocks that have both poor value and poor momentum qualities. We also reveal the inherent link between the diverse backing of combined value and momentum strategies in financial literature and our stock-selection methodology, the Valuentum Buying Index, which identifies undervalued firms with strong momentum qualities.

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* Brian Nelson, MBA Graduate School of Business, University of Chicago, is President of Equity Research and ETF Analysis at Valuentum Securites, Inc, an independent investment research firm serving individual investors, financial advisors, and institutional money-managers. Special thanks to Elizabeth Nelson, Director of Knowledge Management at Valuentum Securities, Inc for her retrieval of relevant documentation to make this paper possible and to the dozens of analysts and colleagues at Morningstar and Driehaus Capital Management for the thoughts and comments during the past several years that ultimately shaped this analysis.

## I. Introduction

The work of Asness, et al (2009) offers the following context with respect to value versus growth and high positive momentum versus low positive momentum as it relates to individual equities.

> A long literature finds that, on average, value stocks (with high book or accounting values relative to market values) outperform growth stocks (with low book-to-market ratios) and stocks with high positive momentum (high 12-month past returns) outperform stocks with low positive momentum (Stattman (1980), Fama-French (1992), Jegadeesh and Titman (1993), Asness (1994), Grinblatt and Moskowitz (2004)). This evidence has been extended to stocks in other countries (Fama and French (1998), Rouwenhorst (1998), Liew and Vassalou (2000), Griffin, Ji, and Martin (2003), Chui, Wei, and Titman (2000)), and to country equity indices (Asness, Liew, and Stevens (1997), Bhojraj and Swaminathan (2006)).

Please note the breadth of academic research supporting the risk-adjusted return superiority of value versus growth investing and high positive momentum stocks versus low positive momentum stocks. Throughout this paper, we show that a combined value and momentum portfolio – a 'Valuentum' portfolio – outperforms the individual strategies of value, growth, momentum, and a combined portfolio of growth-momentum, on average.

Asness, et al (2009) concluded that "the negative correlation between value and momentum strategies and their high expected returns makes a simple equal-weighted combination of the two a powerful strategy that produces a significantly higher Sharpe ratio than either stand alone and makes the combination portfolio far more stable across markets and time periods than either value or momentum alone." Academic work that combines the framework of two or more methodologies is embraced within the Valuentum community of investors, and in our view, provides a unique perspective on the potential abnormal return benefits of cross-methodological approaches.

We also posit that, within a combined value-momentum portfolio, the embedded subset of firms that have both good value characteristics and good momentum characteristics is the key driver behind outperformance on the long side. And similarly, the embedded subset of firms that have poor value characteristics and poor momentum characteristics is the key driver behind outperformance on the short side. These two subsets represent the major driver of outperformance behind the combined value and momentum approach, in our view. We reveal such a phenomenon within this paper.

Plotted on the next page are the cumulative returns to value, momentum, and a 50/50 combination of value and momentum strategies among a global basket of individual stocks. According to Asness, et al (2009), the 'Value' (blue) line represents the returns of a long-short portfolio that has long positions in stocks with good value characteristics (a high ratio of the book value of equity to the market value of equity) and short positions in those with poor value

characteristics (a low ratio of the book value of equity to the market value of equity). The 'Momentum' (green) line represents the returns of a long-short portfolio that goes long stocks that recently performed well and short those that recently performed poorly. The 'Combo' portfolio represents a 50/50 combination of the above value and momentum portfolios.

The following results regarding the Ansess, et al (2009) study are quite intriguing (see below), and we suspect these findings have yet to reach the mainstream financial community (outside of academia). The work largely provides the broad framework to justify the benefits of the combination of value and momentum strategies in a portfolio setting. However, we seek to dig deeper to uncover the qualities of individual equities that generate the value-momentum portfolio's significant outperformance versus other strategies via our own statistical work.

We think individual investors, financial advisors, and institutional money-managers are increasingly interested in the characteristics of underlying equities that drive outsize returns in broad-based investment strategies to further augment the performance of individual portfolios.

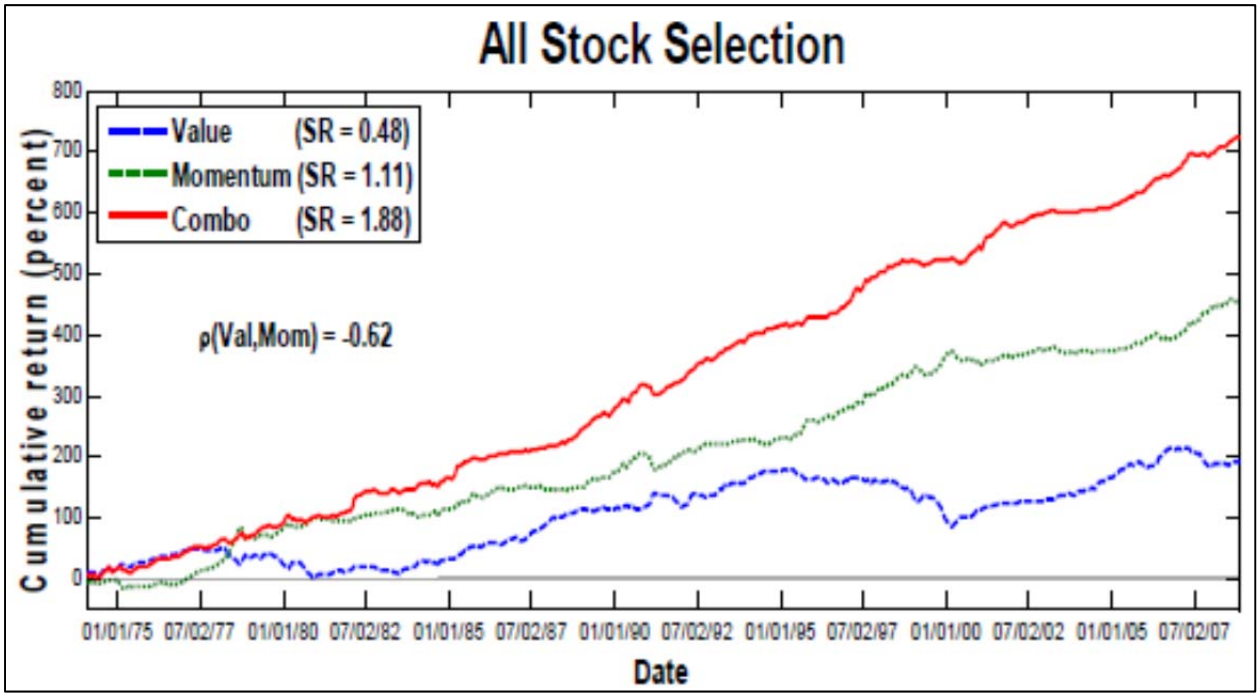



Image Source: Asness, et al (2009)

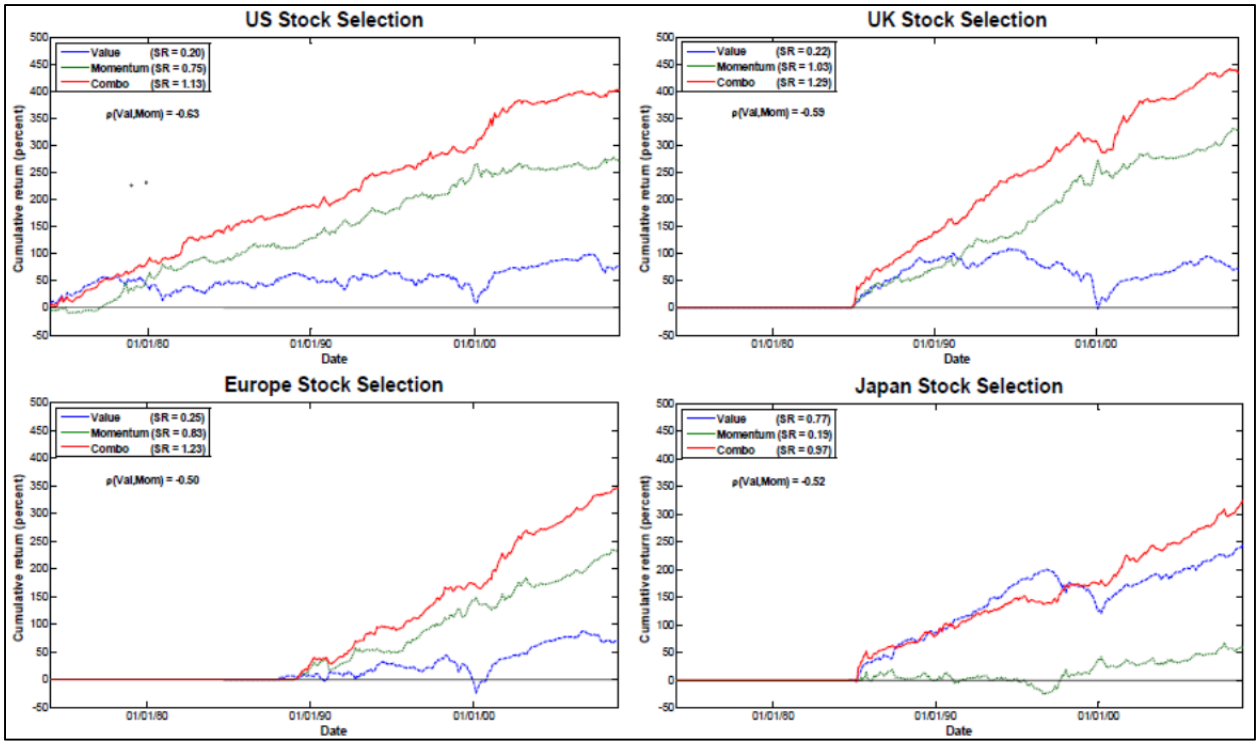



Image Source: Asness, et al (2009)

By extending the conclusions of previous academic works (Stattman (1980), Fama-French (1992), Jegadeesh and Titman (1993), Asness (1994, 2009), Grinblatt and Moskowitz (2004)), we hypothesize that the subset of stocks that have overlapping qualities of good value characteristics and good momentum characteristics not only outperform traditional value, growth, and momentum methodologies, alone, but also are the key driver behind the positive abnormal returns of the value-momentum combination portfolio. We also hypothesize that the subset of stocks that have overlapping qualities of poor value characteristics and poor momentum characteristics will underperform not only the combined value-momentum portfolio but also value, growth, and momentum on an individual basis.

We have substantiated our hypotheses by identifying and highlighting outperformers in a combination portfolio – a 'Valuentum' portfolio – using historical fundamental and pricing data of non-financial firms in the current Dow Jones Industrial Average (DJIA). As Asness, et al (2009) presents, the 'Combo' portfolio of value and momentum outperforms everywhere (US, UK, Europe, Japan), and we use the DJIA as a way to identify the qualities of those stocks that are key performance drivers behind such a value-momentum combination portfolio's abnormal returns. We chose the DJIA because firms in it are both liquid and well known.

We define firms that generate such significant outperformance as 'Valuentum' stocks – stocks on the long side that are both undervalued and exhibit bullish momentum characteristics and stocks on the short side that are both overvalued and exhibit bearish momentum characteristics – and we define the combined approach the Valuentum Style of Investing.

Though previous works have examined the efficacy of value and momentum separately and within one asset class at a single point in time and have analyzed value and momentum together from a long-short portfolio perspective across asset classes, we believe we are the first to identify the benefits of investing in (shorting) a cohort of stocks with both good (poor) value and momentum qualities and identifying such stocks through a systematic methodology, the Valuentum Buying Index.

Subsequent research may show that a combined value-momentum portfolio's outperformance may be further augmented by lagging certain variables, as there is a defined positive correlation between value and momentum (value in one year may lead to momentum in the next for the exact same stock), or by implementing the oversight of a portfolio manager. Our research concludes that due to data interpretation, the benefits of applying a portfolio manager to this process cannot be underestimated. The performance of the portfolio of our Best Ideas Newsletter showcases this benefit.

**II. The 50/50 Value-Momentum Long-Short Portfolio Construction**

In order to establish the case for Valuentum investing, the reader must first become familiar with the structure of the 50/50 value-momentum long-short portfolio as widely disseminated in financial literature.

Value Portfolio: *We generate portfolios sorted on value and examine zero-cost portfolios that go long stocks with "good" value characteristics, that is, high BM, and short those with low BM* (Asness et al, 2009).

Momentum Portfolio: *We construct portfolios sorted on momentum and examine zero-cost portfolios that are long the assets that recently performed relatively well and short those that performed relatively poorly* (Asness et al, 2009).

The combination portfolio represents a 50% weighting of the value portfolio and a 50% weighting of the momentum portfolio:

$$r_t^{COMBO} = s_t \left( 0.5\, r_t^{VALUE} + 0.5\, r_t^{MOM2\text{-}12} \right)$$

Image Source: Asness, et al (2009)

**III. Results of the Combination Portfolio**

Asness, et al (2009) indicates the following conclusions with respect to the combination portfolio:

> The results highlight the power and robustness of combining value and momentum everywhere and, in particular, the power of combining value/momentum combo portfolios everywhere…Because of their positive average returns and negative correlation between them, the combination of value and momentum in every asset class

> produces powerful performance results, generating information ratios consistently greater than either of the stand alone strategies in all markets and asset classes…Combining value and momentum results in about 60 percent of all stock selection profits coming from the short side and about an even split between long and short contributions for all non-stock selection. For the all combination strategy, the contribution from longs and shorts is also about equal.

As it relates to portfolio return attribution in previous academic literature, Asness, et al (2009) concludes that roughly 60% of stock-selection profits from the combined value and momentum strategy come from the short side. This suggests that stocks with poor value characteristics and poor momentum characteristics offer a stronger signal for a downward move in price than stocks with good value and good momentum characteristics do for an upward move in price. However, our research indicates more upside potential from the long side in a combination portfolio (long return versus average return), though we admit there are substantial and material differences between the data set and time period applied.

In either case, since shorting stocks may not be a viable strategy for every type of investor, we seek to capture such a phenomenon via put options (synthetic short exposure) in the portfolio of our Best Ideas Newsletter.

**IV. Outperforming Equities in the Value-Momentum Combined Portfolio**

Though the tremendous benefits of using a combined value and momentum approach in a portfolio setting have been well-documented in financial literature, we seek to identify the common qualities of the particular equities that drive the significant abnormal returns in a value-momentum combination portfolio relative to the value and momentum (and by extension growth) portfolios, individually.

At any particular point in time, the ‘Value’ portfolio will consist of long positions of stocks that represent good value and short positions of stocks that have poor value characteristics. Further, at the same point in time, the ‘Momentum’ portfolio will consist of long positions of stocks that have good recent performance and short positions of stocks that have poor recent performance.

And at the same time, the ‘Combo’ portfolio, by extension, will have a 50% long position in stocks that have good value characteristics and in stocks that have good momentum characteristics. A combination portfolio will also have a 50% short position in stocks that have poor value characteristics and in stocks that have poor momentum characteristics.

Historical back-testing lends itself to a few defendable assumptions on which we build our hypotheses:

1) Unlike forward projections of equity prices, the returns on individual stocks in the past are fixed. Across the universe of stocks used in the results presented by Asness, et al

(2009), we can conclude that the same basket is applied to the 'Value', 'Momentum', and 'Combo' portfolios.

2) The selection of stocks in the 'Value' portfolio will be identical to those representing the value component in the 'Combo' portfolio. The selection of stocks in the 'Momentum' portfolio will be identical to those representing the momentum component of the 'Combo' portfolio. As such, stock selection can assumed to be static across the components of the 'Combo' portfolio and the 'Value' and 'Momentum' portfolios with respect to each return data point in the analysis presented by Asness, et al (2009).
3) The outperformance of a combination portfolio relative to the value and momentum portfolios, individually, is the result of not just the weightings of the value and momentum portfolios within the combination portfolio but, more importantly, the particular stocks within the combination portfolio that may be "over-weighted."

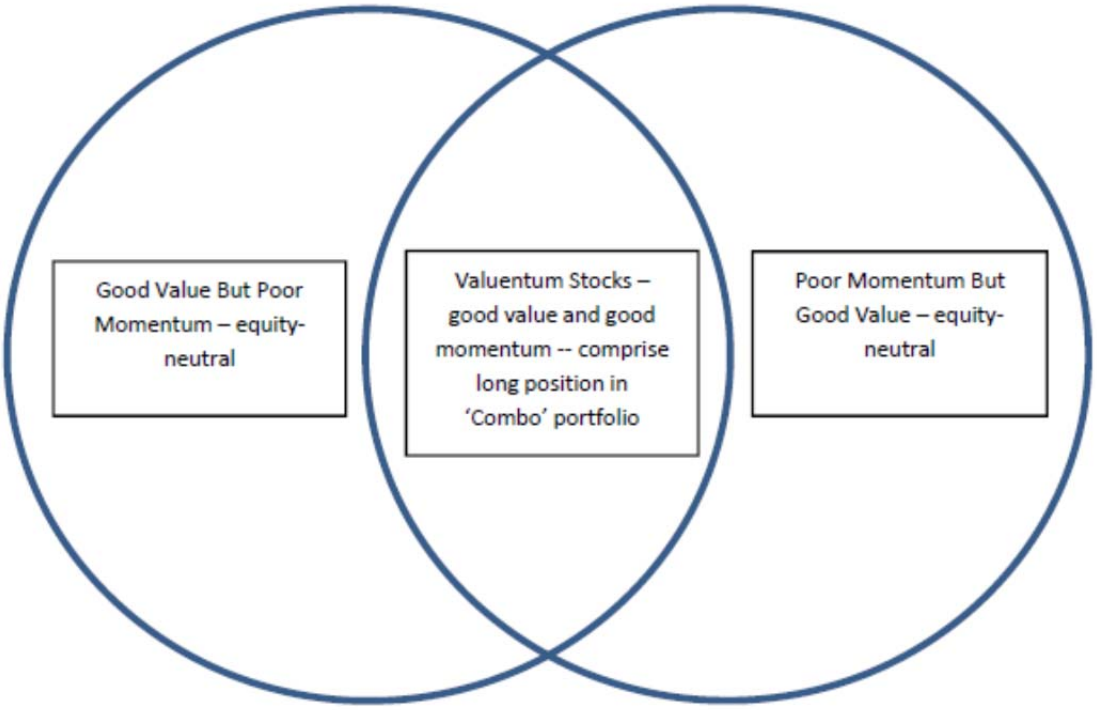
We posit that the abnormal returns of any combination portfolio are driven by the "over-weightings" of particular equities when compared to their relative weightings in the individual portfolios, respectively. Said differently, in a combination portfolio, firms that have both good value characteristics and good momentum characteristics are "over-weighted" (when compared to other holdings in a combination portfolio) on the long side (given the overlap), while firms that have poor value characteristics and poor momentum characteristics are "over-weighted" (when compared to other holdings in a combination portfolio) on the short side (given the overlap).

The Venn diagram on the next page displays this particular phenomenon. For a single stock that is both good value and good momentum, it will have an outsize weighting in a combination portfolio on the long side, while for a single stock that is both poor value and poor momentum, it will have an outsize weighting in a combination portfolio on the short side.

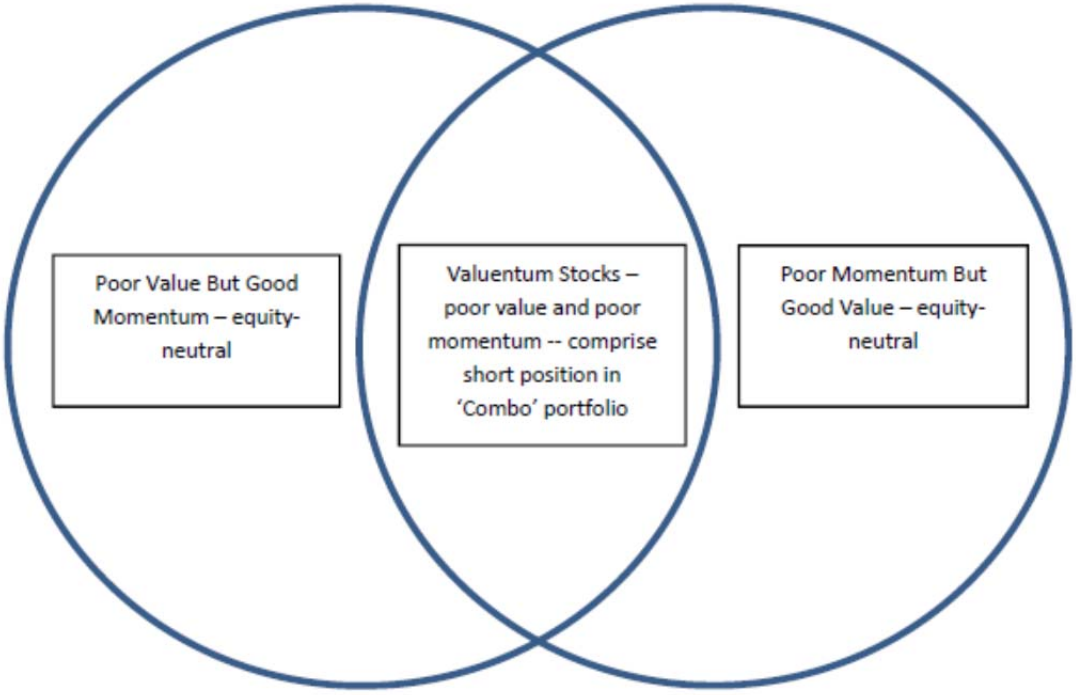
For stocks that have good value but poor momentum or for stocks that have poor value but good momentum, the portfolio will be equity-neutral, as long and short exposure will negate the position. Based on our interpretation, the work of Asness, et al (2009) notes this particular occurrence: "some of the securities (appear) on the long (short) side of value and short (long) side of momentum (page 11)." We take this to mean an equity-neutral strategy on certain positions, but confirmation of such is not material to our conclusions.

By extension and for the sake of simplification, the long side of a combination portfolio can be viewed as a collection of equities with good value and good momentum characteristics and the short side of a combination portfolio can be viewed as a collection of equities with poor value and poor momentum characteristics.

## Long Side of 'Combo' Portfolio




## Short Side of 'Combo' Portfolio



We seek to further analyze our combined portfolio – a 'Valuentum' portfolio – to identify the qualities of portfolio constituents that generate the majority of abnormal returns relative to the value and momentum portfolios, individually and respectively. We posit the "over-weighting" of stocks with both good value characteristics and good momentum characteristics on the long side and the "over-weighting" of stocks with both poor value characteristics and poor momentum characteristics on the short side are responsible for the abnormal returns of a combination portfolio. We detail such a phenomenon in our work below.

**V. Data and Portfolio Construction**

We use non-financial constituents in the current Dow Jones Industrial Average (DJIA) as our basic data set to illustrate this occurrence. Specifically, we omit BAC, JPM, TRV, and KFT, the latter lacking sufficient data history. We select the DJIA as it represents a liquid subset of well-known firms in the global financial system. We first select the period January 2002 through May 2012, as data for this period is readily available and can easily be confirmed. We further substantiate our research with data from the period January 1995 through May 2012. For the January 2002 through May 2012 period, we use data from CIS and Morningstar. For the January 1995 through May 2012 period, we use data from CIS and Factset.

The benefits of a long-short combination portfolio of value and momentum have been well-documented, so the goal of this exercise is to reveal the kinds of stocks that fit the Valuentum Style of Investing and their subsequent returns in future periods versus other stocks included in the data set. Further, we believe a portfolio management overlay, as that pursued in the portfolio of our Best Ideas Newsletter, can bolster returns of a 'Valuentum' portfolio by mitigating entries caused by data anomalies and errors.

To measure value, we sort the data set by a firm's end of initial period price-to-earnings ratio (see Figure I & III). Firms that have low price-to-earnings ratios (the bottom half of the data set) have good value characteristics, while firms that have high price-to-earnings ratios (the top half of the data set) have poor value characteristics. To measure momentum, we sort the data set by a firm's trailing 2-year return through the beginning of the initial period (see Figure II & IV). Firms that have strong relative price performance (the top half of the data set) have good momentum characteristics, while firms that have poor relative price performance (the bottom half of the data set) have poor momentum characteristics. We are less concerned about identifying the precise value signal or momentum signal in this exercise than we are in revealing the substantial benefits of using value and momentum combined. We explain our value and momentum signals later in the paper.

The 'Value' portfolio is a 50/50 long-short portfolio that goes long stocks with good value characteristics and short stocks with poor value characteristics. The 'Momentum' portfolio is a 50/50 long-short portfolio that goes long stocks with good momentum characteristics and short stocks with poor momentum characteristics. The 'Valuentum' portfolio in this example is a

50/50 long-short portfolio that only goes long stocks with both good value and good momentum characteristics and only goes short stocks with both poor value and poor momentum characteristics. These are zero-cost, zero turnover portfolios.

To assess the performance of each portfolio, we take the average total return of each portfolio constituent beginning January 2002 through May 2012 (excluding dividends) and beginning January 1995 through May 2012. We then take the difference between the average long return and average short return of each portfolio to arrive at an average total return measure for each portfolio.

**A. January 2002 – May 2012**

We show the returns from January 2002 through May 2012 of each portfolio below:

| Momentum (LR - SR) | Value (LR - SR) | Combined (LR - SR) |
|---|---|---|
| 30.8% | 62.4% | 86.5% |

* LR = Long Return; SR = Short Return

The 'Valuentum' portfolio generates a total return that was 24.1 percentage points better than the 'Value' portfolio alone and nearly three times that of the 'Momentum' portfolio alone during this time period.

Long Concentration

Short Concentration

| Symbol | Return Jan 2002 - May 2012 | Position |
|---|---|---|
| CAT | 355.6% | Valuentum Long |
| MCD | 330.1% | |
| CVX | 235.5% | Valuentum Long |
| XOM | 166.4% | Valuentum Long |
| UTX | 160.5% | Valuentum Long |
| DIS | 137.1% | Valuentum Short |
| KO | 124.6% | Valuentum Short |
| BA | 113.7% | |
| IBM | 107.2% | |
| AXP | 105.8% | |
| PG | 97.3% | Valuentum Short |
| MMM | 96.5% | |
| DD | 61.0% | |
| VZ | 53.3% | |
| T | 52.9% | Valuentum Long |
| JNJ | 42.3% | |
| WMT | 29.0% | |
| HD | 22.7% | Valuentum Long |
| MSFT | 18.5% | Valuentum Short |
| HPQ | 14.2% | Valuentum Short |
| MRK | 1.0% | |
| INTC | -9.6% | Valuentum Short |
| CSCO | -16.0% | Valuentum Short |
| PFE | -21.9% | Valuentum Long* |
| GE | -27.7% | |
| AA | -70.2% | |

* Entry offered less clear value signal and long position could be avoided with portfolio management overlay.

Out of the top five equity performers in the data set, the 'Valuentum' portfolio went long 4 of them in its portfolio (CAT, CVX, XOM, UTX), including the top performer (CAT). Out of the worst five equity performers during this time period, the 'Valuentum' portfolio went short 2 of them (INTC, CSCO). The worst performer (AA) would have flashed a short signal shortly after the snapshot date of January 2002.

Though the 'Valuentum' portfolio showed excellent stock-selection proficiency in identifying winners and losers (see long and short concentrations in previous image) during this time period, the 'Valuentum' portfolio faced a performance headwind by going short firms whose performance heading into the beginning of 2002 was considerably poor, namely with respect to DIS and KO. Another headwind was presented in the long selection of PFE, as price-to-earnings data was particularly volatile around the snapshot period for this company (20.8 in 2002 versus 161.3 in 2003).

We believe such performance headwinds can be mitigated through active management by limiting the portfolio's aggregate short exposure at the bottom of the business cycle and by steering clear of firms where the value signal is less certain (PFE). Further research may show additional benefits of a combination portfolio by adding a short-term trading overlay (more frequent re-balancing) and factoring in other firm-specific or macroeconomic indicators to bolster returns.

| Valuentum Portfolio | Return (Jan 2002 - May 2012) |
|---|---|
| Long | |
| CAT | 355.6% |
| CVX | 235.5% |
| XOM | 166.4% |
| UTX | 160.5% |
| T | 52.9% |
| HD | 22.7% |
| PFE | -21.9% |
| | |
| Average Long Return | 138.8% |
| | |
| Short | |
| CSCO | -16.0% |
| INTC | -9.6% |
| HPQ | 14.2% |
| MSFT | 18.5% |
| PG | 97.3% |
| KO | 124.6% |
| DIS | 137.1% |
| | |
| Average Short Return | 52.3% |
| | |
| LR - SR | 86.5% |

The outperformance of the combined value and momentum strategy may have been expected thanks to previous academic work, but the sorting proficiency of the combined value and momentum approach is quite remarkable. Not only did stocks on the long side of the 'Valuentum' portfolio produce the best returns of any sub-portfolio, on average, but stocks on the short side of the 'Valuentum' portfolio produced the worst returns of any sub-portfolio, on average.

| Portfolio | Return |
|---|---|
| Valuentum Long Average | 138.8% |
| Value Long Average | 115.0% |
| Momentum Long Average | 99.2% |
| Data Universe Average | 83.8% |
| Weak Momentum Long Average | 68.4% |
| Data Universe Median | 57.2% |
| Growth Long Average | 52.7% |
| Valuentum Short Average | 52.3% |

We think this is partly due to proficient stock-selection and partly due to more concentrated positions in better performing stocks on the long side and poor performing stocks on the short side. The 'Valuentum' portfolio consisted of 14 positions during this time period, while the 'Value' and 'Momentum' portfolios consisted of 26 positions each. This speaks to the benefits of the "over-weighting" of outperforming stocks on the long side and the "over-weighting" of underperforming stocks on the short side, a phenomenon that we hypothesize is present in the Asness, et al (2009) work.

Though not displayed for brevity, during this time period the 'Valuentum' portfolio also outperformed a growth-momentum portfolio combination, which goes long only stocks with both good growth and good momentum characteristics and goes short only stocks with both good value (poor growth) and poor momentum characteristics. During this time period, a growth-momentum portfolio combination generated a negative 30.5% return (-30.5%), as losses on the short side of the portfolio (83.5%) overwhelmed gains from the long side (53.1%).

**B. January 1995 – May 2012**

We show the returns from January 1995 through May 2012 of each portfolio below:

| Momentum (LR - SR) | Value (LR - SR) | Combined (LR - SR) |
|---|---|---|
| 321.0% | 72.9% | 426.7% |

* LR = Long Return; SR = Short Return

Over this time period, the 'Valuentum' portfolio outperformed the 'Momentum' portfolio by 105.7 percentage points, while it dwarfed the returns of the 'Value' portfolio. Out of the top five equity performers in the data set, the 'Valuentum' portfolio went long the top 3 (IBM, UTX, CAT). Out of the worst five equity performers during this time period, the 'Valuentum' portfolio went short just one of them (DIS). The worst performing equity within our data set over this time

period, VZ, offered a good value signal and a poor momentum signal. The firm was not captured on the short side of the 'Valuentum' portfolio. The 'Valuentum' portfolio, however, revealed even greater sorting qualities between winners and losers during this time period, in our view.

Long Concentration

Short Concentration

| Symbol | Return Jan 1995 - May 2012 | Position |
|---|---|---|
| IBM | 1203.2% | Valuentum Long |
| UTX | 1150.3% | Valuentum Long |
| CAT | 960.6% | Valuentum Long |
| MSFT | 916.1% | |
| CSCO | 797.3% | |
| XOM | 711.1% | |
| CVX | 687.7% | |
| AXP | 665.6% | Valuentum Long |
| MCD | 649.4% | |
| INTC | 639.7% | |
| WMT | 606.8% | |
| JNJ | 522.0% | |
| HD | 507.4% | Valuentum Short |
| PG | 458.4% | Valuentum Long |
| PFE | 420.7% | Valuentum Short |
| MMM | 417.9% | Valuentum Short |
| BA | 331.3% | |
| KO | 304.2% | Valuentum Short |
| GE | 252.3% | |
| MRK | 239.2% | Valuentum Short |
| T | 222.1% | Valuentum Long |
| DD | 221.4% | |
| DIS | 210.3% | Valuentum Short |
| HPQ | 175.3% | |
| AA | 20.7% | |
| VZ | 14.7% | |

| Valuentum Portfolio | Return (Jan 1995 - May 2012) |
|---|---|
| Long | |
| IBM | 1203.2% |
| UTX | 1150.3% |
| CAT | 960.6% |
| AXP | 665.6% |
| PG | 458.4% |
| T | 222.1% |
| | |
| Average Long Return | 776.7% |
| | |
| Short | |
| DIS | 210.3% |
| MRK | 239.2% |
| KO | 304.2% |
| MMM | 417.9% |
| PFE | 420.7% |
| HD | 507.4% |
| | |
| Average Short Return | 350.0% |
| | |
| LR - SR | 426.7% |

Over this time period, the stocks on the long side of the 'Valuentum' portfolio produced the best returns of any sub-portfolio, on average, and stocks on the short side of the 'Valuentum' portfolio produced the worst returns of any sub-portfolio, on average. This is consistent with the results of time period January 2002 – May 2012.

| Portfolio | Return |
|---|---|
| Valuentum Long Average | 776.7% |
| Momentum Long Average | 672.3% |
| Value Long Average | 548.2% |
| Data Universe Average | 511.8% |
| Data Universe Median | 482.9% |
| Growth Long Average | 475.3% |
| Weak Momentum Long Average | 351.3% |
| Valuentum Short Average | 350.0% |

And again, we think this is partly due to proficient stock-selection and partly due to more concentrated positions in better performing stocks on the long side and poor performing stocks on the short side. The 'Valuentum' portfolio over this time period consisted of 12 positions, while the 'Value' and 'Momentum' portfolio consisted of 26 positions each. This again speaks to the benefits of the "over-weighting" of outperforming stocks on the long side and the "over-weighting" of underperforming stocks on the short side.

Though not displayed for brevity, during this time period the 'Valuentum' portfolio also outperformed a growth-momentum combination portfolio, which goes long only stocks with both good growth and good momentum characteristics and goes short only stocks with both good value (poor growth) and poor momentum characteristics. During this time period, a growth-momentum combination portfolio generated a 230.3% return (582.7% long less 352.4% short return), slightly worse than the 'Momentum' strategy alone but materially better than a 'Value' strategy.

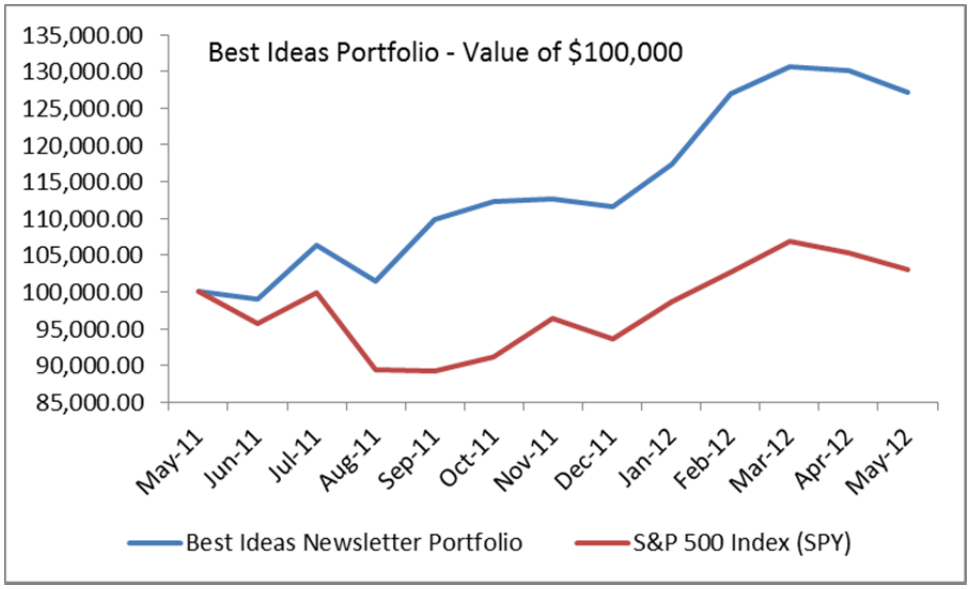
**VI. Conclusions**

Firms that have both good value and good momentum qualities generate abnormal returns relative to firms that have poor value and poor momentum qualities. A 'Valuentum' portfolio has been shown to consistently outperform value, growth, momentum and combined growth-momentum portfolios over various time periods. We also show that value may, depeneding on the data set and during certain time periods (January 2002 – May 2012), outperform momentum, a view that we believe is not necessarily inconsistent with the work of Asness, et al (2009). Still, over longer time horizons, momentum has outperformed value, further supporting previous academic literature. However, no other strategy (value, growth, momentum, or combined growth-momentum) stacks up to the power of the 'Valuentum' approach.

The Valuentum Style of Investing has been shown to sort winners from losers effectively and apply outsize weightings appropriately to maximize returns relative to value, growth, and momentum strategies, individually. The duration of the data used in our analysis also suggests that a 'Valuentum' portfolio can outperform over a longer-term horizon, even with limited or no re-balancing.

### A. Empirical Evidence

We continue to empirically test our conclusions via the performance of the actively-managed portfolio included in our Best Ideas Newsletter. We believe a portfolio management overlay in actively adjusting the weightings of long and short exposure of 'Valuentum' equities (beyond the 50/50 approach) can result in even greater portfolio outperformance than what would be originally expected through predictive models. The performance of the portfolio of our Best Ideas Newsletter is another data point supporting the use of the Valuentum Style of Investing.




| Value of a $100,000 Investment (includes dividends) | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 5/17/2011 | 6/15/2011 | 7/13/2011 | 8/12/2011 | 9/13/2011 | 10/11/2011 | 11/11/2011 | 12/12/2011 | 1/13/2012 | 2/12/2012 | 3/14/2012 | 4/13/2012 | 5/14/2012 | Avg |
| Best Ideas Newsletter Portfolio | 100,000.00 | 99,013.62 | 106,457.85 | 101,415.15 | 109,865.95 | 112,285.02 | 112,646.21 | 111,608.10 | 117,311.19 | 126,944.51 | 130,603.74 | 130,093.74 | 127,128.46 | |
| SPY | 100,000.00 | 95,773.08 | 99,832.69 | 89,492.80 | 89,206.42 | 91,154.57 | 96,399.88 | 93,679.25 | 98,623.11 | 102,783.18 | 106,965.86 | 105,341.02 | 103,057.16 | |
| Outperformance | 0.00 | 3,240.54 | 6,625.16 | 11,922.35 | 20,659.53 | 21,130.45 | 16,246.33 | 17,928.85 | 18,688.08 | 24,161.33 | 23,637.88 | 24,752.72 | 24,071.30 | |
| Long Percentage (%) | 10.0 | 49.7 | 90.9 | 86.8 | 83.7 | 89.2 | 95.0 | 94.5 | 86.4 | 82.8 | 83.3 | 83.2 | 68.3 | 77.2 |
| Cash & Short Percentage (%) | 90.0 | 50.3 | 9.1 | 13.2 | 16.3 | 10.8 | 5.0 | 5.5 | 13.6 | 17.2 | 16.7 | 16.8 | 31.7 | 22.8 |

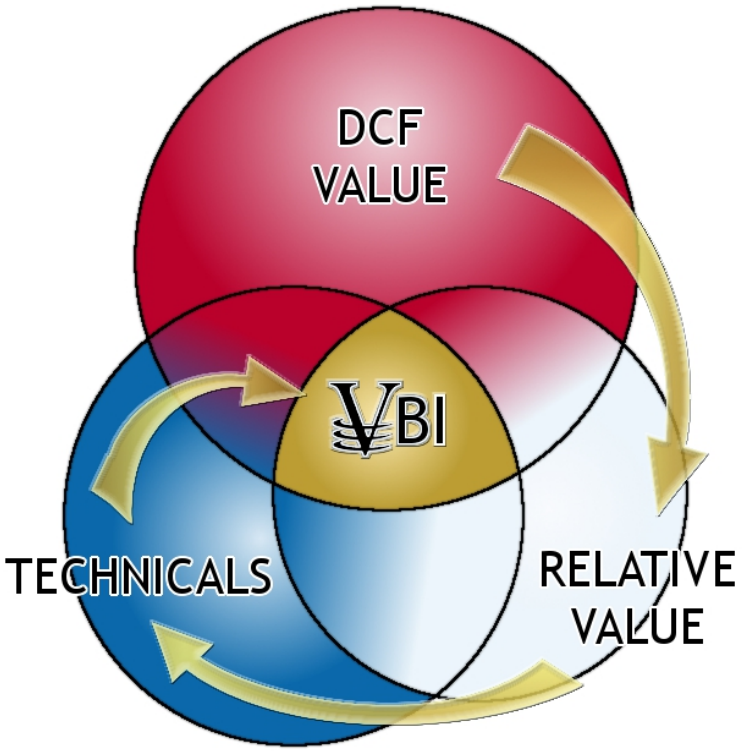
## VII. Valuentum Investing – The Valuentum Buying Index

### A. Introduction

The Valuentum Buying Index (VBI) is a contingent, adaptive stock-selection methodology that captures both the value and momentum qualities of individual equities at a particular point in time. We view the VBI as the most straightforward way to translate a rigorously back-tested process into a transparent and easy-to-follow investment methodology.

The Valuentum Buying Index (VBI), the center of the Venn diagram, combines rigorous financial and valuation analysis with an evaluation of a firm's technicals and momentum indicators to derive a score between 1 and 10 for each company (10=best). The size of the circles reveals the relative emphasis we place on each investment consideration, while the arrows display the order of our process -- value first then technicals and momentum last. A firm's Valuentum Buying Index score is contingent on its value and momentum variables.

Stocks that meet our demanding criteria fall in the center of the Venn diagram, displaying attractive characteristics from a DCF basis (our primary value signal), a relative value basis, and with respect to a technical and momentum assessment (our momentum signal). Our process is consistent with the framework outlined in this paper in that both value and momentum assessments are integral to our stock-selection process.




Academic literature suggests that analyzing a stock across a wide spectrum of philosophies (namely value and momentum) is the clearest route to significant risk-adjusted portfolio outperformance. We embrace the combination of value and momentum strategies (and all cross-

methodological work) and view a firm's valuation and its technical and momentum indicators as core to a superior stock-selection process.

At Valuentum, we think companies that are attractive across the investment methodology spectrum – including value and momentum – have the greatest probability of capital appreciation and relative outperformance. On the other hand, we think the worst stocks will be shunned by most investment disciplines and display expensive valuations, poor technicals and deteriorating momentum indicators. Said differently, we're bullish on firms that have good value characteristics and good momentum characteristics, while we're bearish on firms that have poor value characteristics and poor momentum characteristics.

Another benefit of a unified value and momentum process, in our view, is that anecdotally it allows for improved entry and exit points on the most undervalued stocks. Future research may confirm that the greatest outperformance of undervalued equities may occur in immediate subsequent periods following an improvement in their underlying technical and momentum indicators. The work of Jagadeesh, et al (1993), for example, documents that over a three-to-twelve month horizon, past winners on average continue to outperform past losers, so when a stock becomes cheap, patience may be in order as it can certainly become cheaper.

> The price continuations are particularly notable for stocks with the worst past earnings performance, whose results are below average for up to three years afterwards (Jagadeesh, et al, 1993).

Only when both sides of the investment spectrum are combined can investors get the best stocks on the market today at the best prices, in our view. We think focusing just on valuation may encourage the buying of a stock all the way down (see Jagadeesh, et al, 1993), while just using technical and momentum indicators may expose an unhedged portfolio to significantly overpriced stocks at their peaks. We point to the dot-com bubble as evidence of this dynamic.

**B. We Use a Rigorous Discounted Cash Flow Valuation Process as our Primary Value Signal**

Our methodology starts with in-depth financial statement analysis, where we derive our ValueCreation, ValueRisk, and ValueTrend ratings, which together provide a quantitative assessment of the strength of a firm's competitive advantages. Warren Buffett's track record of investing in "economic castles protected by unbreachable moats" is one that cannot be ignored in our cross-methodological process. However, this area remains of key interest for further research as it is unclear whether such returns are driven more by the "value" factor of Buffett's style than a documented "moat" factor.

Recent data by Morningstar, for example, shows a negligible difference between the returns of its moat universe (about 60% of its covered stocks) versus the performance of the S&P 500 over the most recent 10-year time period. The data also show negligible difference in performance

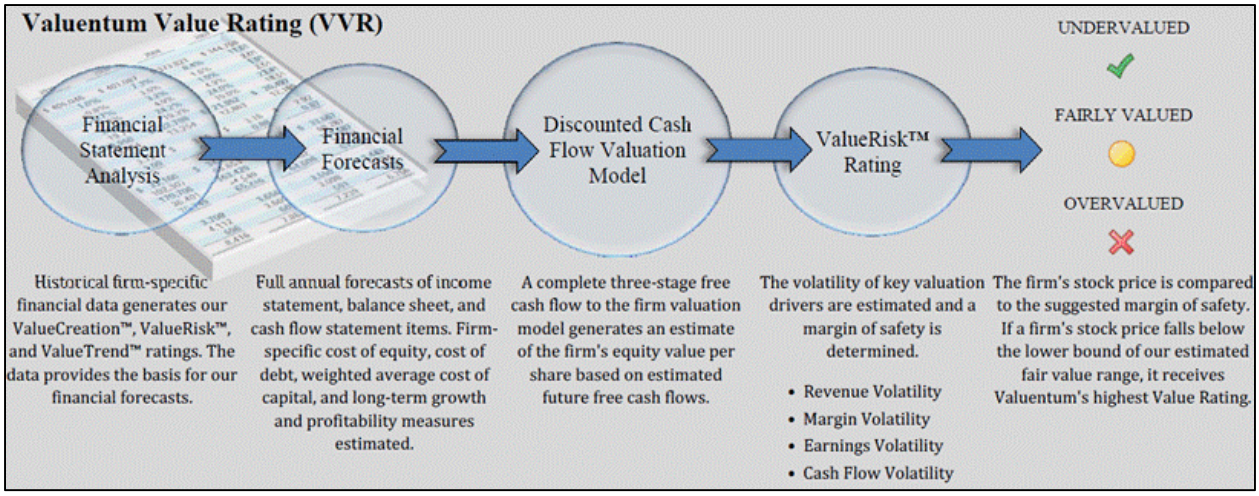
between wide and narrow moat stocks. However, when factoring in a valuation component to their process, as outlined in its Morningstar Wide Moat Focus Index Fund, the returns markedly improve relative to the S&P 500 Index. One can infer through this work that valuation may be more of an explanatory factor of returns than Buffett's "moat" factor, and if so, a combined value and momentum strategy may offer tangible portfolio benefits over such a value process alone (see Asness et al, 2009).

On the other hand, future research may instead conclude that Warren Buffett's style is consistent with the Valuentum Style of Investing as his focus on valuation coupled with the performance of the stocks in the Berkshire portfolio indicate most of his outsize returns come from undervalued firms that have generated significant relative price out-performance, and by extensive, positive momentum indicators over time. Undervalued firms with bullish technical and momentum indicators are 'Valuentum' stocks.

Though academic literature remains inconclusive to our knowledge on the major drivers behind Buffett's outperformance, economic-profit and competitive-advantage analysis remain key components of our process. We compare a company's return on invested capital (ROIC) to our estimate of its weighted average cost of capital (WACC) to assess whether it is creating economic profit for shareholders (ROIC less WACC equals economic profit). Firms that have improving economic profit spreads over their respective cost of capital score high on our ValueCreation and ValueTrend measures, while firms that have relatively stable returns score well with respect to our ValueRisk evaluation, which impacts our margin-of-safety assessment.

After evaluating historical trends, we then make full annual forecasts for each item on a company's income statement and balance sheet to arrive at a firm's future free cash flows. We derive a company-specific cost of equity (using a fundamental beta based on the expected uncertainty of key valuation drivers) and a cost of debt (considering the firm's capital structure and synthetic credit spread over the risk-free rate), culminating in our estimate of a company's weighted average cost of capital (WACC). We don't use a market price-derived beta, as we embrace market volatility, which provides investors with opportunities to buy stocks with both good value and good momentum characteristics at bargain-basement levels. On the other hand, market volatility provides investors with opportunities to sell stocks with poor value and poor momentum characteristics at overpriced levels.

We then assess each company within our complete three-stage free cash flow to the firm (enterprise cash flow) valuation model, which generates an estimate of a company's equity value per share based on its discounted future free cash flows and the company's net balance sheet impact, including other adjustments to equity value (namely pension and OPEB adjustments). Our ValueRisk rating, which considers the underlying uncertainty of the capacity of the firm to continue to generate value for shareholders, sets the margin of safety bands around this fair value estimate.




For firms that are trading below the lower bound of our margin of safety band, we consider these companies undervalued based on our DCF process. For firms that are trading above the higher bound of our margin of safety band, we consider these companies overvalued based on our DCF process. The concept of momentum reinforces the idea of applying a fair value range in situations where the momentum "effect" may be present.

**C. We Perform a Forward-Looking Relative Value Assessment to Bolster our Value Signal**

Our discounted cash-flow process allows us to arrive at an absolute view of the firm's intrinsic value. However, we also include a forward-looking relative value assessment in our process to further bolster our rigorous discounted cash-flow process and improve our value signal. If a company is undervalued on both a price-to-earnings ratio and a price-earnings-to-growth (PEG) ratio versus industry peers, we would consider the firm to be attractive from a relative value standpoint.

The inclusion of a relative value assessment using common valuation parameters further ties our real-world application to the standard valuation measures used in academic literature. A common value signal is the ratio of the book value of equity to the market value of equity, or book to market (*BM*). By employing the price-to-earnings ratio in our analysis, we are taking the inverse of this ratio and assessing the forward contributions to book value as opposed to book value itself. We view such an approach as a practical application of the value signal, particularly when combined with our rigorous discounted cash-flow process.

**D. We Use Technical Analysis to Bolster our Momentum Signal**

> Underlying the efficient market hypothesis is the notion that if any predictable patterns exist in returns, investors will quickly act to exploit them, until the source of predictability is eliminated. However, this does not seem to be the case for either stock return or earnings based momentum strategies. Both strategies have been well-known and were well-publicized by at least the early 1990s, but both continue to generate excess

> profits. We would argue that the momentum effect represents perhaps the strongest evidence against the efficient markets hypothesis (Jagadeesh 2001).

Once we have estimated a firm's intrinsic value on the basis of our discounted cash-flow process, determined if it is undervalued according to its firm-specific margin of safety bands, and assessed whether it has relative value versus industry peers, we then evaluate the company's technical and momentum indicators to pin-point the best entry and exit points on the stock.

Rigorous valuation analysis and technical/momentum analysis are not mutually exclusive, and we believe both can be used together to bolster returns. Our firm-wide view is that technical analysis is in part a self-reinforcing prophecy, but we are not against capitalizing on the understanding of such a discipline. Chan, et al (1996) theorizes on the possibility of why momentum strategies may be effective:

> Another possibility is that the profitability of momentum strategies stems from overreaction induced by positive feedback trading strategies of the sort discussed by DeLong, Shleifer, Summers, and Waldmann (1990). This explanation implies that “trend-chasers” reinforce movements in stock prices even in the absence of fundamental information, so that the returns for past winners and losers are (at least partly) temporary in nature…(but)…The bulk of the evidence suggests that the drifts in future returns are not subsequently reversed, so momentum does not appear to be entirely driven by positive feedback trading.

An evaluation of a stock's moving averages, relative strength, upside-downside volume, and money flow index are but a few considerations we look at with respect to our technical and momentum assessment of a company's stock. The application of simple moving averages to our process allows us to identify stocks whose near-term performance is stronger than their intermediate-term performance, thus revealing the momentum signal.

We embrace the idea that the future is inherently unpredictable and that not all fundamental factors can be included in a valuation model. By extension, we also use technical and momentum analysis to help safeguard us against value traps, negative momentum trends, analyst error, and the opportunity cost of holding an undervalued equity for years before it converges to fair value. As the work of Chan, et al (1996) suggests, even an undervalued equity can underperform for up to three years after a poor earnings report.

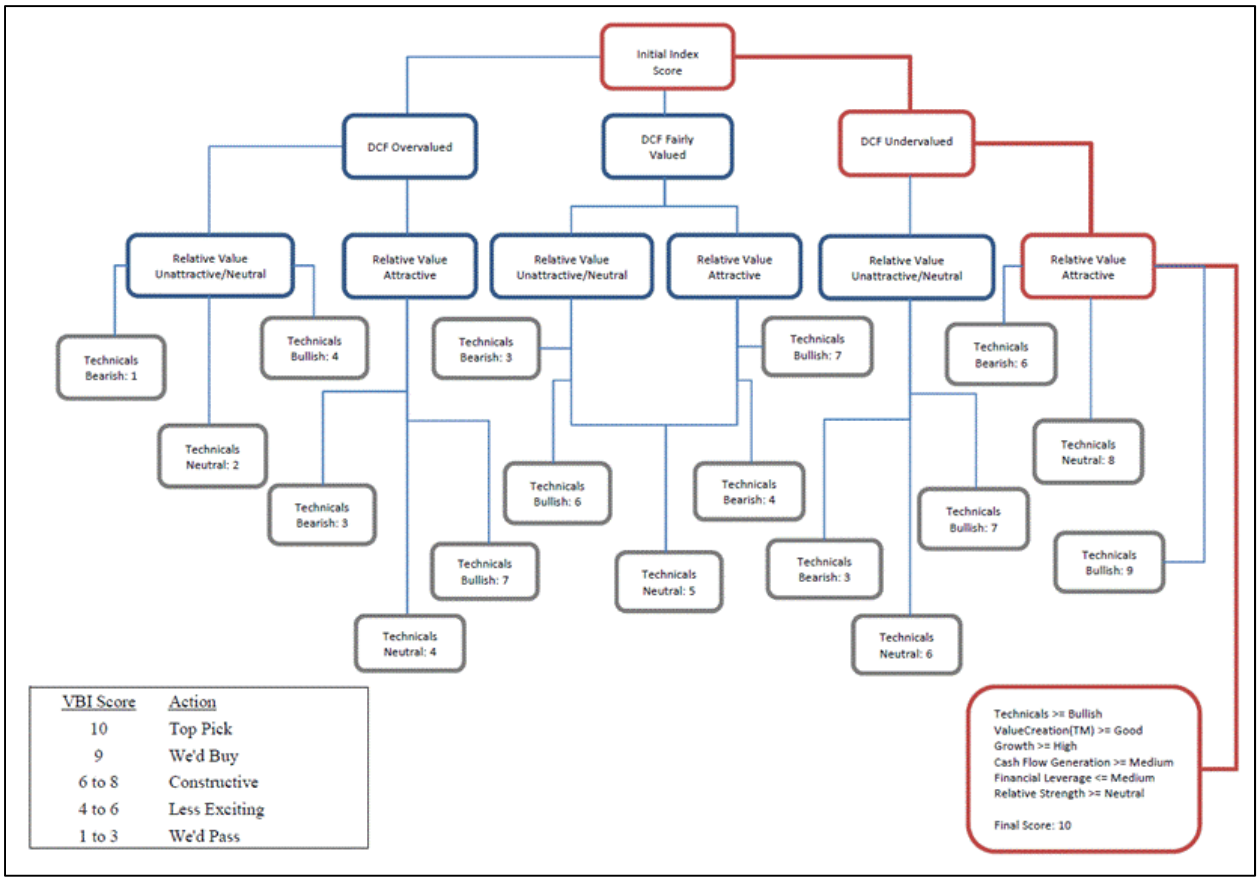
**E. Combining Value and Momentum - the Valuentum Buying Index**

The red line on the flow chart below reveals our contingent, adaptive stock-selection methodology. We strive to identify stocks where both the value and momentum signals are clearly good or clearly poor.

To earn the highest score on our scale, the company would need to be undervalued on a DCF basis and attractive on a relative value basis. We view this assessment as key in determining whether the firm meets the criteria of having good value characteristics. The stock would also have to be exhibiting bullish technical and momentum indicators, the latter used in assessing whether the company meets the criteria of having good momentum characteristics.

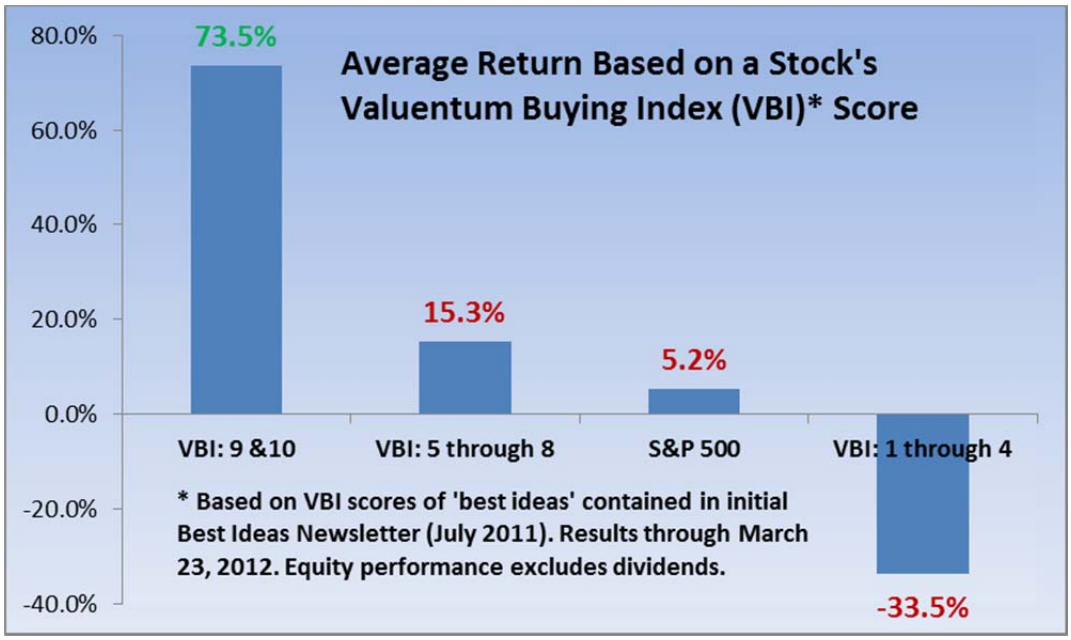
The firm would need a ValueCreation rating of good or excellent, exhibit high or aggressive growth prospects, and generate at least a medium or neutral assessment for cash flow generation, financial leverage, and relative price strength. We use these fundamental factors as a way to capture relatively high quality firms within our portfolio and to safeguard against a variety of risks (deteriorating product demand, liquidity issues, etc.) while also capturing any perceived phenomenon related to a “moat” factor.

This is a tall order for any company, but we're looking to deliver the very best of ideas to our clients and subscribers. Firms that don't make the cut for a 10 are ranked accordingly, with the least attractive stocks garnering a score of 1 ("We'd sell"). Most of our coverage universe falls between 3 and 7, but at any given time there could be large number of companies garnering either high or low scores, especially at market lows or tops, respectively.



**F. Performance of the Valuentum Buying Index**

Initial testing results of the Valuentum Buying Index have been very encouraging. The performance reflects the subset of firms deemed to fit the 'Valuentum' style at the time of the writing of our inaugural Best Ideas Newsletter in July 2011. Firms that generate a 9 or 10 on our Valuentum Buying Index have good value characteristics and good momentum characteristics, while firms that generate a 1 through 4 typically have poor value characteristics and neutral or poor momentum characteristics. The results are consistent with previous academic literature, and we expect to expand our sample set over time.




Additionally, the performance remains consistent with a combined value and momentum approach, while the smaller, more selective data set (embedded in the above performance) indicates that a portfolio management overlay may be able to extract even more outperformance than traditional predictive models by mitigating positions with less clear value and momentum indicators or avoiding them altogether.

## January 2002 – May 2012

### Figure I

| Symbol | Price / Earnings |
|---|---|
| BA | 54.1 |
| AA | 39.2 |
| CSCO | 35.3 |
| INTC | 33.9 |
| DIS | 31.6 |
| MSFT | 29.8 |
| WMT | 29.3 |
| HPQ | 27.7* |
| KO | 27.5 |
| IBM | 25.3 |
| JNJ | 24.9 |
| MMM | 24.7 |
| PG | 24.6 |
| VZ | 23.2 |
| DD | 23.0 |
| XOM | 21.7 |
| MCD | 20.9 |
| PFE | 20.8 |
| CAT | 19.9 |
| MRK | 18.1 |
| AXP | 17.7 |
| GE | 16.1 |
| HD | 15.3 |
| UTX | 14.0 |
| T | 12.2 |
| CVX | 12.2* |

* 2003 PE; 2002 PE NMF.

### Figure II

| Symbol | 2yr Trail Perf - 2002 |
|---|---|
| JNJ | 37.3% |
| UTX | 33.3% |
| CAT | 26.4% |
| MMM | 24.2% |
| PFE | 17.3% |
| WMT | 10.7% |
| CVX | 6.5% |
| AA | 6.2% |
| XOM | -1.6% |
| IBM | -3.0% |
| BA | -5.6% |
| T | -8.6% |
| HD | -10.9% |
| GE | -14.5% |
| PG | -15.7% |
| DD | -20.4% |
| VZ | -20.6% |
| MRK | -21.9% |
| KO | -22.0% |
| MCD | -26.2% |
| INTC | -28.9% |
| AXP | -33.7% |
| MSFT | -34.9% |
| DIS | -41.0% |
| HPQ | -46.6% |
| CSCO | -63.8% |

## January 1995 – May 2012

### Figure III

| Symbol | Price / Earnings |
|---|---|
| BA | 68.2 |
| MSFT | 39.0 |
| CSCO | 36.7 |
| CVX | 36.6 |
| HD | 35.4 |
| KO | 31.3 |
| MMM | 28.6 |
| PFE | 25.2 |
| MRK | 24.3 |
| JNJ | 23.0 |
| MCD | 22.9 |
| DIS | 22.1 |
| HPQ | 20.0 |
| WMT | 19.6 |
| PG | 19.4 |
| GE | 18.5 |
| T | 18.5 |
| UTX | 16.6 |
| VZ | 16.4 |
| XOM | 15.5 |
| INTC | 14.1 |
| AXP | 13.3 |
| IBM | 12.6 |
| DD | 12.5 |
| AA | 11.9 |
| CAT | 10.3 |

### Figure IV

| Symbol | 2yr Trail Perf - 1995 |
|---|---|
| CAT | 86.8% |
| AXP | 64.6% |
| CSCO | 50.4% |
| IBM | 47.0% |
| UTX | 46.0% |
| HPQ | 43.3% |
| JNJ | 38.6% |
| MSFT | 37.5% |
| PG | 37.1% |
| MCD | 36.4% |
| T | 33.6% |
| CVX | 33.2% |
| BA | 32.7% |
| INTC | 30.8% |
| PFE | 30.8% |
| KO | 28.1% |
| GE | 26.7% |
| DD | 24.6% |
| VZ | 14.7% |
| MMM | 14.0% |
| DIS | 13.0% |
| XOM | 12.1% |
| AA | 11.0% |
| MRK | 6.3% |
| HD | -3.8% |
| WMT | -29.0% |

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**Valuentum Analysts**
analysts@valuentum.com

# Glossary of Valuentum Terms

**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.

**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.

**Company Description.** The description section provides a brief company profile and in the top right corner indicates the investment style that Valuentum assigns to the stock. 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.

**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.

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**Dividend Growth Potential.** We blend our analysis of a firm's Dividend Safety with its historical Track Record, while also considering historical dividend growth trends. We believe such a combination captures a firm's capacity (cash flow) and willingness (track record) to raise its dividend in the future. Scale: EXCELLENT, GOOD, POOR, VERY POOR.

**Dividend Safety.** We measure the safety of a firm's dividend by adding its net cash to our forecast of its future cash flows and divide that sum by our forecast of its future dividend payments. This process results in a ratio called the Valuentum Dividend Cushion™. Scale: Above 2.75 = EXCELLENT; Between 1.25 and 2.75 = GOOD; Between 0.5 and 1.25 = POOR; Below 0.5 = VERY POOR.

**Dividend Strength.** Our assessment of the firm's dividend strength is expressed in a matrix. If the safety of a firm's dividend is EXCELLENT and its growth prospects are also EXCELLENT, it scores high on our matrix (top right). If the firm's dividend safety and the potential future growth are VERY POOR, it scores lower on our scale (bottom left).

**Dividend Track Record.** We assess each firm's dividend track record based on whether the fundamentals of the firm have ever forced it to cut its dividend. If the firm has ever cut its dividend (within the last 10 years), we view its track record as RISKY. If the firm has maintained and/or raised its dividend each year (over the past 10 years), we view its track record as HEALTHY.

**Estimated Fair Value.** This measure is an output of our DCF valuation model and represents our opinion of the fair equity value per share of the company. We would 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).

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**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.

**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).

**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.

**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.

**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.

**Risk of Capital Loss.** We think capital preservation is key for the dividend investor. As such, we evalute the risk of capital loss by assessing the intrinsic value of each firm based on our discounted cash-flow process. If a firm is significantly OVERVALUED, we think the risk of capital loss is HIGH. If a firm is FAIRLY VALUED, we think the risk of capital loss is MEDIUM, and if a firm is UNDERVALUED, we think the risk of capital loss is LOW.

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**Stock Price Relative Strength.** We assess the perfomance 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.

**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.

**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.

**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.

**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.

**Valuentum Dividend Cushion™.** This is a proprietary Valuentum measure that drives our assessment of the firm's Dividend Safety rating. The forward-

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looking measure assesses dividend coverage via the cash characteristics of the business.

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**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.

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