



TRACTOR SUPPLY COMPANY (TSCO-O)

Retailers / Other Specialty Retailers / Other Specialty Retailers

Indicator Description

The **Average Score** combines the quantitative analysis of six widely-used investment decision making tools: Earnings, Fundamental, Relative Valuation, Risk, Price Momentum and Insider Trading. A simple average of the underlying component ratings is normally distributed to rank stocks on a 1-10 scale (10 being awarded to the highest scored). These factors may be evaluated differently using alternative methodologies and the importance of individual factors varies across industries, market capitalization and investment styles. Additional criteria should always be used to evaluate a stock.

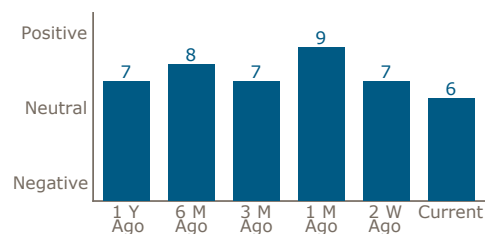
Indicator

TSCO's current average score is relatively **in-line** with the market.

AVERAGE SCORE	Peers	
6	M	10
	PETM	7
	ULTA	6
	SPLS	3

Averages	
Other Specialty Retailers Group	5.8
Retailers Sector	5.7
S&P 500 Index	6.5
Large Market Cap	6.2

Indicator Trend

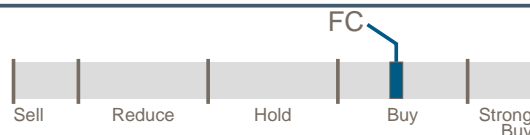


Last 5 Years		
Best	Worst	Average
10 - (05/16/10)	3 - (06/29/08)	7.4

Analyst Recommendations

First Call Mean (FC): **Buy** (24 firms)

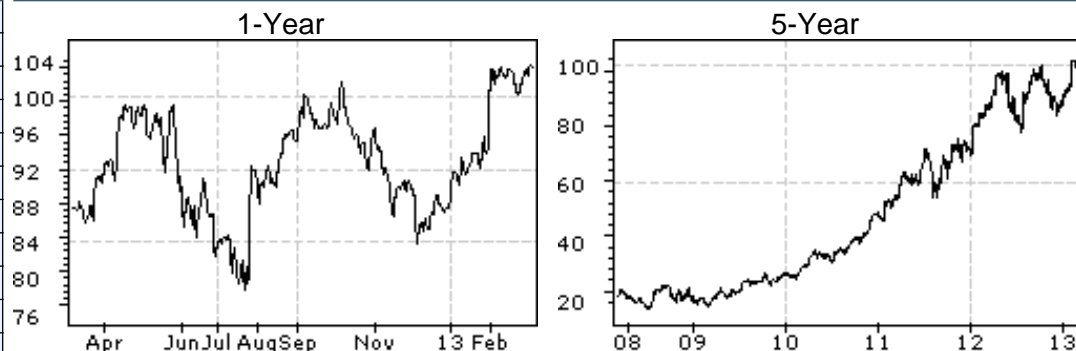
First Call Mean is the mean of all analysts covering the company.



Key Information

Price (03/07/13) (USD)	103.82
52-Week High (USD)	105.37
52-Week Low (USD)	75.46
Market Cap (USD)	7.1B
Avg Daily Vol	622,238
Exchange	NASDAQ
Dividend Yield	0.8%
Annual Dividend (USD)	0.80
Trailing PE	27.1
Forward PE	23.3
Forward PEG	1.3
LTG Forecast	17.4%
Exp Report Date	04/24/13
Annual Revenue (USD)	4.7B
ROE	27.2%
Inst. Ownership	89.5%
1-Mo Return	0.7%
3-Mo Return	20.9%
1-Yr Return	18.7%

Price Charts



Business Description

Tractor Supply Company is an operator of retail farm and ranch stores in the United States. The Company operates retail stores under the names Tractor Supply Company and Del's Farm Supply and operate a Website under the name TractorSupply.com. The Company's stores are located in towns outlying metropolitan markets and in rural communities, and offer a selection of merchandise, which include equine, pet and small animal products, including items necessary for their health, care, growth and containment; hardware, truck, towing and tool products; seasonal products, including lawn and garden items, power equipment, gifts and toys; maintenance products for agricultural and rural use, and work/recreational clothing and footwear. The Company operates at farm and ranch retail sales segment, both at its retail locations and online.

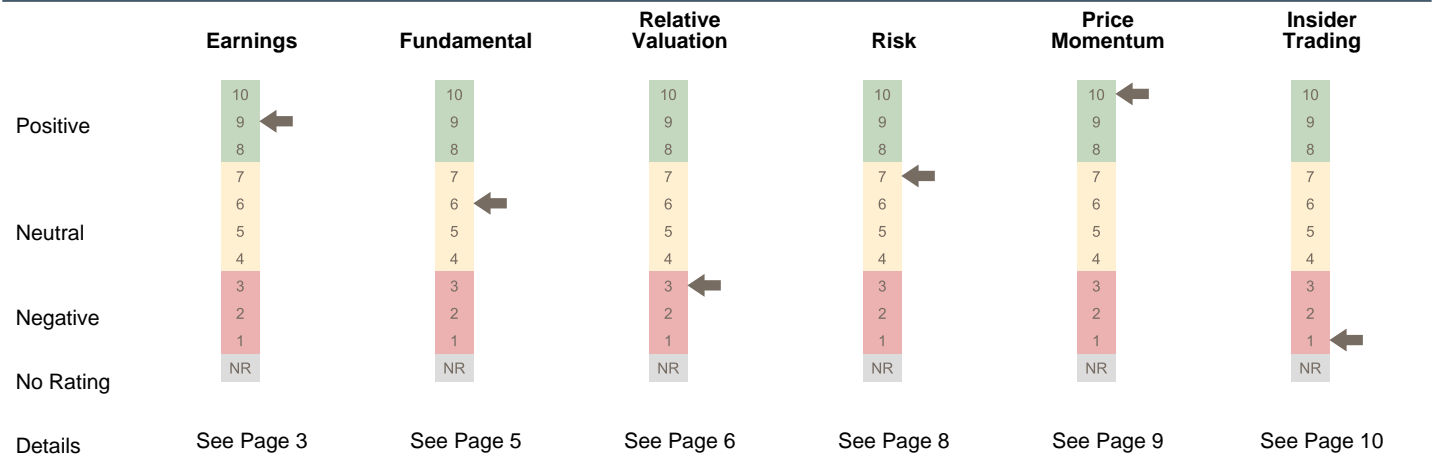


Average Score

AVERAGE SCORE
6

The **Average Score** combines the quantitative analysis of six widely-used investment decision making tools: Earnings, Fundamental, Relative Valuation, Risk, Price Momentum and Insider Trading. A simple average of the underlying component ratings is normally distributed to rank stocks on a 1-10 scale (10 being awarded to the highest scored). These factors may be evaluated differently using alternative methodologies and the importance of individual factors varies across industries, market capitalization and investment styles. Additional criteria should always be used to evaluate a stock.

Indicator Components



Optimized Score

OPTIMIZED SCORE
5

Historically, companies with an optimized score of 5 have tended to perform in-line with the market over the following 12-month period.



As an alternative approach to equally weighting each of the six factors, independent research firm, Verus Analytics, conducted a backtest to empirically determine the optimal factor blend. Results and weighting vary across four different market capitalization categories. For large cap stocks, price momentum and insider trading historically provided the most explanatory power among the six factors and are weighted heavily in the current optimized score. Among the small cap universe, the earnings and fundamental factors joined with insider trading and price momentum to explain returns.

Peer Analysis

Ticker	Average Score	Market Cap (USD)	Price (03/07/13) (USD)	Dividend Yield	Trailing PE	Forward PE	Forward PEG	LTG Forecast	Annual Revenue (USD)	Net Margin	1-Mo Return	3-Mo Return	1-Yr Return
M	10	16.1B	41.23	1.9%	12.4	10.4	0.8	13.2%	27.1B	7.8%	2.4%	4.6%	7.2%
SPLS	3	8.8B	12.76	3.8%	9.3	9.0	2.2	4.0%	24.3B	-9.4%	-3.0%	11.9%	-17.2%
TSCO	6	7.1B	103.82	0.8%	27.1	23.3	1.3	17.4%	4.7B	6.2%	0.7%	20.9%	18.7%
PETM	7	7.0B	62.18	1.1%	20.1	16.7	0.9	17.8%	6.5B	5.1%	-5.7%	-11.6%	9.8%
ULTA	6	5.7B	89.91	--	37.0	28.0	1.1	24.4%	2.0B	7.5%	-9.1%	-10.5%	2.3%
DKS	7	4.9B	50.36	1.0%	23.4	18.0	1.3	14.3%	5.6B	3.8%	4.3%	-0.7%	6.6%
SBH	6	4.9B	29.51	--	20.0	16.9	1.0	17.2%	3.6B	6.5%	12.7%	23.1%	20.4%
CAB	6	3.6B	53.93	--	21.0	16.4	1.0	16.7%	3.1B	6.1%	7.8%	16.0%	56.3%
FIVE	2	2.2B	42.03	--	--	72.4	2.1	35.3%	322M	0.8%	10.2%	21.9%	--
RCII	6	2.1B	37.54	2.2%	11.8	11.0	1.1	10.0%	3.1B	6.3%	2.0%	6.0%	11.9%
BIG	6	1.9B	35.50	--	12.5	10.7	1.1	9.6%	5.3B	-0.5%	7.9%	26.0%	-20.9%
Average	5.9	5.8B	--	1.8%	19.5	21.2	1.3	16.3%	7.8B	3.7%	2.7%	9.8%	9.5%
Median	6.0	4.9B	--	1.5%	20.0	16.7	1.1	16.7%	4.7B	6.1%	2.4%	11.9%	8.5%

Peer Group

M	MACY'S	SBH	SALLY BEAUTY
SPLS	STAPLES INC	CAB	CABELA'S
PETM	PETSMART INC	FIVE	FIVE BELOW INC
ULTA	ULTA SALON	RCII	RENT A CENTER
DKS	DICK'S SPORTING GOOD	BIG	BIG LOTS, INC.



Earnings

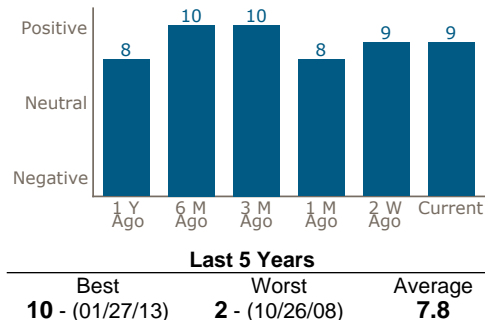
Indicator Description

The **Earnings Indicator** displays stocks on a scale of 1-10 with 10 being awarded to the strongest stocks based on a combination of three earnings factors: earnings surprise, broker recommendation changes and estimate revision. Each component is equally weighted. A stock needs to have at least two of the three earnings factors in order to receive a final earnings score.

Indicator

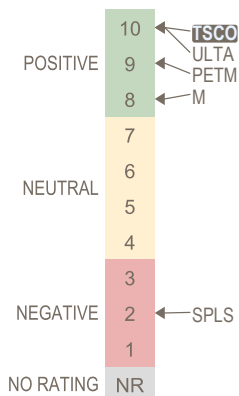
EARNINGS		Peers	
9	M		9
	PETM		9
	ULTA		8
	SPLS		2
Averages			
	Other Specialty Retailers Group		5.9
	Retailers Sector		5.8
	S&P 500 Index		6.3
	Large Market Cap		6.1

Indicator Trend

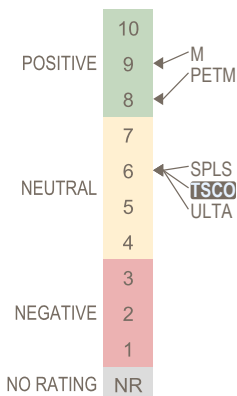


Indicator Sub-Components

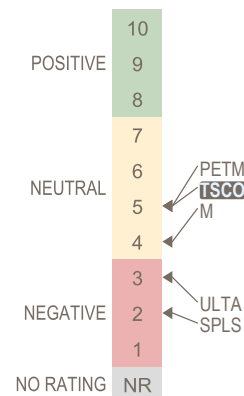
Earnings Surprise (33.3% Weight)



Estimate Revision (33.3% Weight)



Broker Rec Changes (33.3% Weight)



Last 4 Quarters

# Positive Surprises (> 2%)	4
# Negative Surprises (< -2%)	0
# In-Line (within 2%)	0
Avg Surprise	4.5%

Last 4 Weeks

# Up Revisions	0
# Down Revisions	0
Avg Up Revisions	0.0%
Avg Down Revisions	0.0%

Last 120 Days

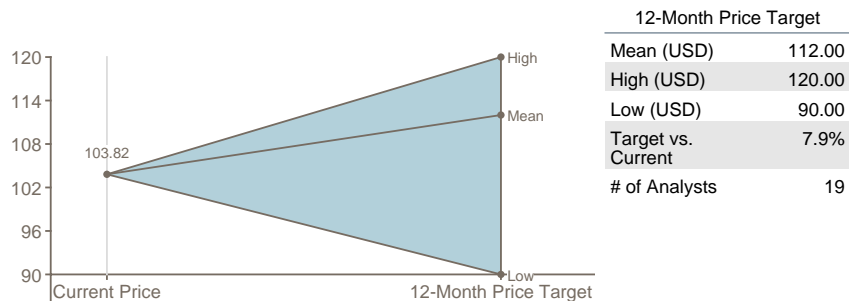
# Upgrades	1
# Downgrades	0

Highlights

- TSCO currently has an Earnings Rating of 9, which is significantly more bullish than the Other Specialty Retailers Industry average of 5.6.
- Over the past 4 quarters, the company has reported 4 positive (>2%), 0 negative (<-2%), and 0 in-line (within 2%) surprises. The average surprise for this time period has been 4.5%. Most recently on 01/30/13, the company reported quarterly earnings of 1.11 per share, a positive surprise of 7.6% above the consensus of 1.03.
- TSCO's current quarter consensus estimate has remained relatively unchanged over the past 90 days at 0.62. Estimates within its Industry have moved an average of 0.0% during the same time period.

Price Target

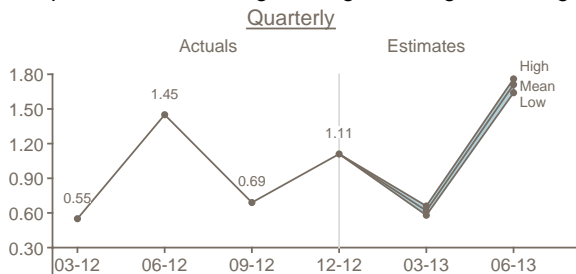
The chart below indicates where analysts predict the stock price will be within the next 12 months, as compared to the current price. The high, low, and mean price targets are presented.



Earnings Per Share

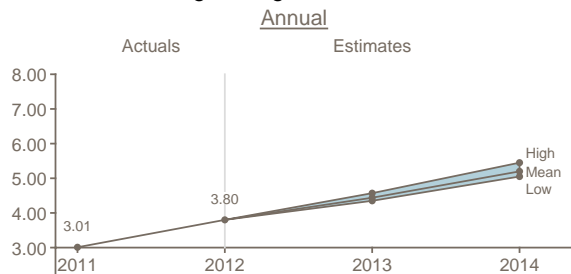
Earnings per share (EPS) is calculated by dividing a company's earnings by the number of shares outstanding. Analysts tend to interpret a pattern of increasing earnings as a sign of strength

and flat or falling earnings as a sign of weakness. The charts below provide a comparison between a company's actual and estimated EPS, including the high and low forecasts.



	03-13	06-13
FC Mean (USD)	0.62	1.71
High (USD)	0.66	1.76
Low (USD)	0.58	1.64
# of Analysts	23	23

NA = No Actual or Estimated EPS



	2013	2014
FC Mean (USD)	4.44	5.20
High (USD)	4.57	5.45
Low (USD)	4.35	5.05
# of Analysts	25	23

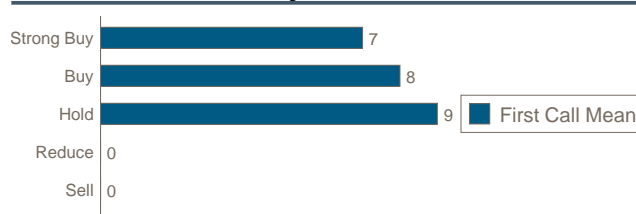
NA = No Actual or Estimated EPS

Mean Estimate Trend

	Q 03-13	Q 06-13	Y 2013	Y 2014	Price Target
Current (USD)	0.62	1.71	4.44	5.20	112.00
30 Days Ago (USD)	0.62	1.71	4.44	5.19	110.00
90 Days Ago (USD)	0.63	1.70	4.36	5.19	105.00
% Chg - Last 90 Days	-1.4%	0.5%	1.9%	0.1%	6.7%

Next Expected Report Date: 04/24/13

Distribution of Analyst Recommendations



Earnings Surprise

Investors frequently compare a company's actual earnings to the mean expectation of professional analysts. The difference between the two is referred to as a "positive" or "negative"

surprise. Academic research has shown that when a company reports a surprise, it is often followed by more of the same surprise type.

Surprise Summary - Last 12 Quarters

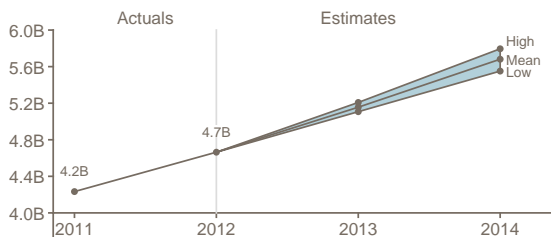
Surprise Type	#	%
Positive Quarters (> 2%)	11	91.7%
Negative Quarters (< -2%)	0	--
In-Line Quarters (within 2%)	1	8.3%

Surprise Detail - Last 6 Periods

Surprise Type	Announce Date	Period End Date	Actual EPS (USD)	Mean EPS (USD)	Surprise (%)
POSITIVE	01/30/13	12/12	1.110	1.032	7.6%
POSITIVE	10/24/12	09/12	0.690	0.670	3.0%
POSITIVE	07/25/12	06/12	1.450	1.393	4.1%
POSITIVE	04/25/12	03/12	0.550	0.533	3.2%
POSITIVE	02/01/12	12/11	0.960	0.923	4.0%
POSITIVE	10/19/11	09/11	0.580	0.519	11.8%

Annual Revenue

A pattern of increasing sales in conjunction with a rising EPS may influence a buy recommendation, while flat or falling sales and faltering earnings may explain a sell recommendation. A rising EPS with flat or falling sales may result from increased cost efficiency and margins, rather than market expansion. This chart shows the sales forecast trend of all analysts and the highest and lowest projections for the current and next fiscal year.



	2013	2014
Mean (USD)	5.2B	5.7B
High (USD)	5.2B	5.8B
Low (USD)	5.1B	5.6B
Forecasted Growth	10.5%	21.8%
# of Analysts	23	21

NA = No Actual or Estimated Revenue



Fundamental

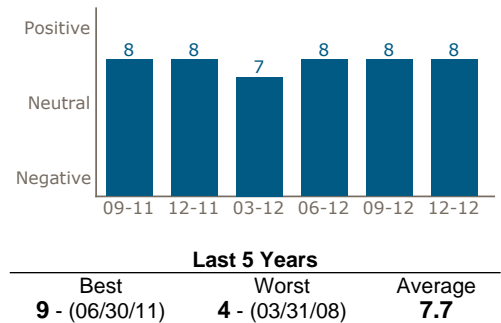
Indicator Description

The **Fundamental Indicator** displays stocks on a scale of 1-10 with 10 being awarded to the strongest stocks based on a combination of four fundamental component factors: profitability, debt, earnings quality, and dividend. Each component is equally weighted. A stock needs to have at least three of the four fundamental factors present for a given fiscal quarter in order to receive a final fundamental score. Companies that do not pay a dividend are not penalized.

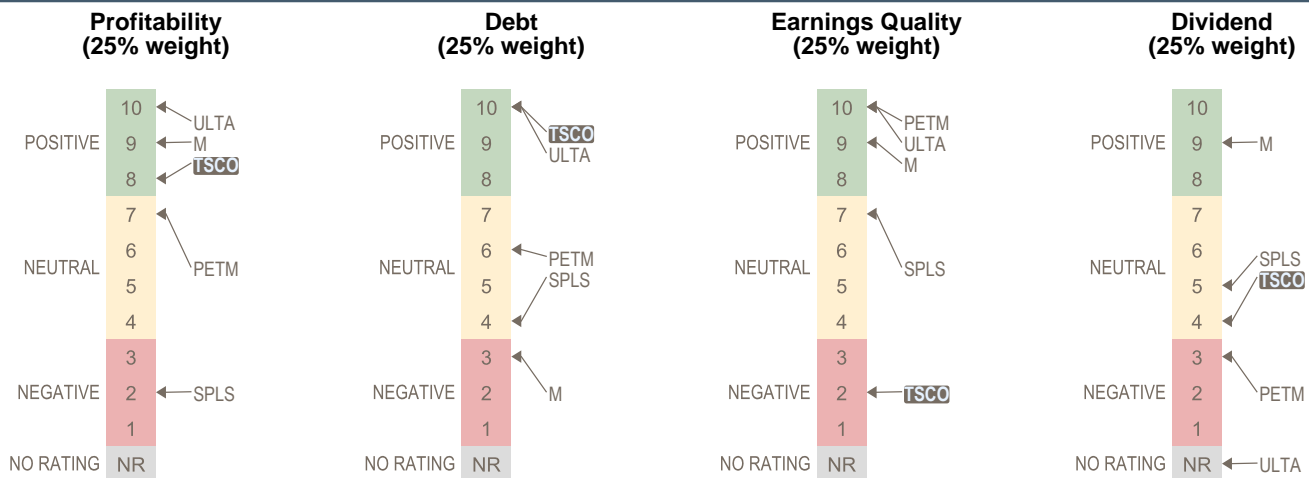
Indicator

FUNDAMENTAL	
6	
Peers	
ULTA	10
M	9
PETM	7
SPLS	3
Averages	
Other Specialty Retailers Group	6
Retailers Sector	5.8
S&P 500 Index	6.4
Large Market Cap	6.4

Indicator Trend



Indicator Sub-Components



Revenue Growth For year over year ending 12/12	10.2%	Current Ratio For year over year ending 12/12	2.0	Days Sales in Inv. For period ending 12/12	102.4	Div. Growth Rate For year over year ending 12/12	67.4%
Gross Margin For trailing 4 qtrs ending 12/12	31.3%	Debt-to-Capital For trailing 4 qtrs ending 12/12	0.1%	Days Sales in Rec. For period ending --	--	Dividend Funding For trailing 4 qtrs ending 12/12	13.4%
Return on Equity For trailing 4 qtrs ending 12/12	27.2%	Interest Funding For trailing 4 qtrs ending 12/12	0.3%			Dividend Coverage For trailing 4 qtrs ending 12/12	6.4
Net Margin For trailing 4 qtrs ending 12/12	6.2%	Interest Coverage For trailing 4 qtrs ending 12/12	623.9			Current Div. Yield For trailing 4 qtrs ending 03/13	0.8%

Highlights

- TSCO's Fundamental Rating declined significantly over the last quarter from a bullish 8 to a relatively neutral 6. The average Fundamental Rating for its Other Specialty Retailers Industry is 5.3 and the S&P 500 average is 6.7.
- The company's net margin has been higher than its Industry average for each of the past five years.
- Of the 34 firms within the Other Specialty Retailers Industry, TRACTOR SUPPLY CO is among the 12 companies that pay a dividend. The stock's dividend yield is currently 0.8%.



Relative Valuation

Indicator Description

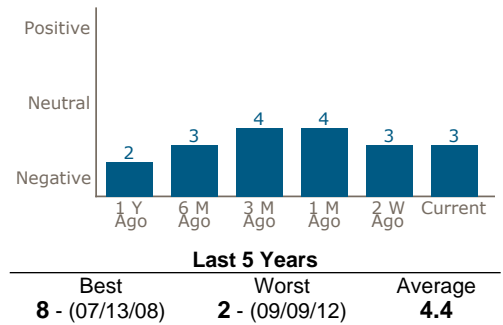
The **Relative Valuation Indicator** displays stocks on a scale of 1-10 with 10 being awarded to the strongest stocks based on a combination of three component factors: Forward PEG (50%), Trailing PE (25%), and Forward PE (25%). A stock needs to have at least one of the three relative valuation factors present in order to receive a final relative valuation score.

Indicator

Multiples **significantly above** the market or the stock's historic norms.

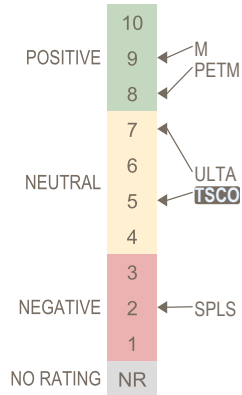
RELATIVE VALUATION	
3	
Peers	
M	10
PETM	7
SPLS	6
ULTA	4
Averages	
Other Specialty Retailers Group	6.4
Retailers Sector	6.3
S&P 500 Index	5.5
Large Market Cap	5.1

Indicator Trend

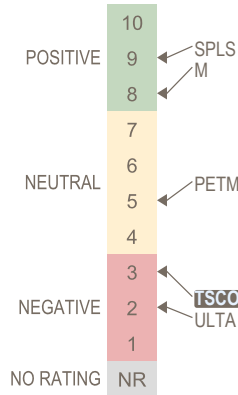


Indicator Sub-Components

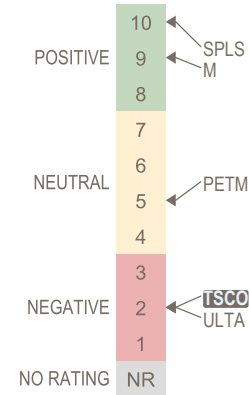
Forward PEG (50% weight)



Trailing PE (25% weight)



Forward PE (25% weight)



Fwd. PEG	1.3	Tr. PE	27.1	Fwd. PE	23.3
5-Yr Avg	1.2	5-Yr Avg	27.8	5-Yr Avg	18.6
Rel. to 5-Yr Avg.	14% Premium	Rel. to 5-Yr Avg.	2% Discount	Rel. to 5-Yr Avg.	25% Premium
S&P 500 Fwd. PEG	1.7	S&P 500 Tr. PE	22.8	S&P 500 Fwd. PE	17.4
Rel. To S&P 500	22% Discount	Rel. To S&P 500	19% Premium	Rel. To S&P 500	34% Premium



Highlights

- TSCO's Forward PEG of 1.3 represents a 14% Premium to its 5-year average of 1.2.
- TSCO's Trailing P/E of 27.1 represents a 2% Discount to its 5-year average of 27.8.
- TSCO's Forward P/E of 23.3 represents a 25% Premium to its 5-year average of 18.6. If the Forward P/E returned to historical form, the stock would trade at 82.48.

Trailing PE

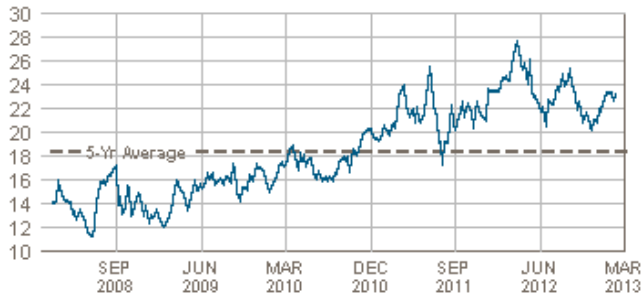
Trailing P/E is calculated using the most recent closing price (updated weekly) divided by the sum of the four most recently reported quarterly earnings.



Trailing PE	27.1	Index Avg	22.8
5yr Avg	27.8	Sector Avg	27.5

Forward PE

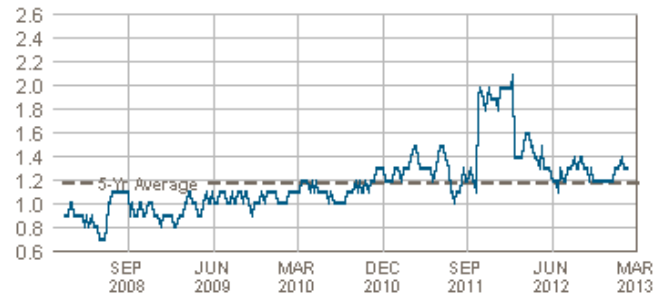
Forward P/E is calculated using the most recent closing price (updated weekly) divided by the sum of the four upcoming quarterly consensus estimates.



Forward PE	23.3	Index Avg	17.4
5yr Avg	18.6	Sector Avg	21.3

Forward PEG

Forward PEG is calculated by dividing the Forward P/E by the five-year, long term forecasted growth rate.



Forward PEG	1.3	Index Avg	1.7
5yr Avg	1.2	Sector Avg	1.4



Risk

Indicator Description

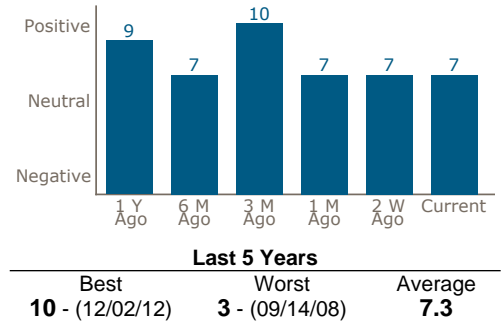
The **Risk Indicator** displays stocks on a scale of 1-10 with 10 being awarded to the least risky stocks. 'Risk' is derived by looking at a series of long (60-month) and short (90-day) term stock performance measures including volatility (standard deviation), magnitude of returns (best and worst day and month), beta (movement versus broader market), and correlation to the relevant index.

Indicator

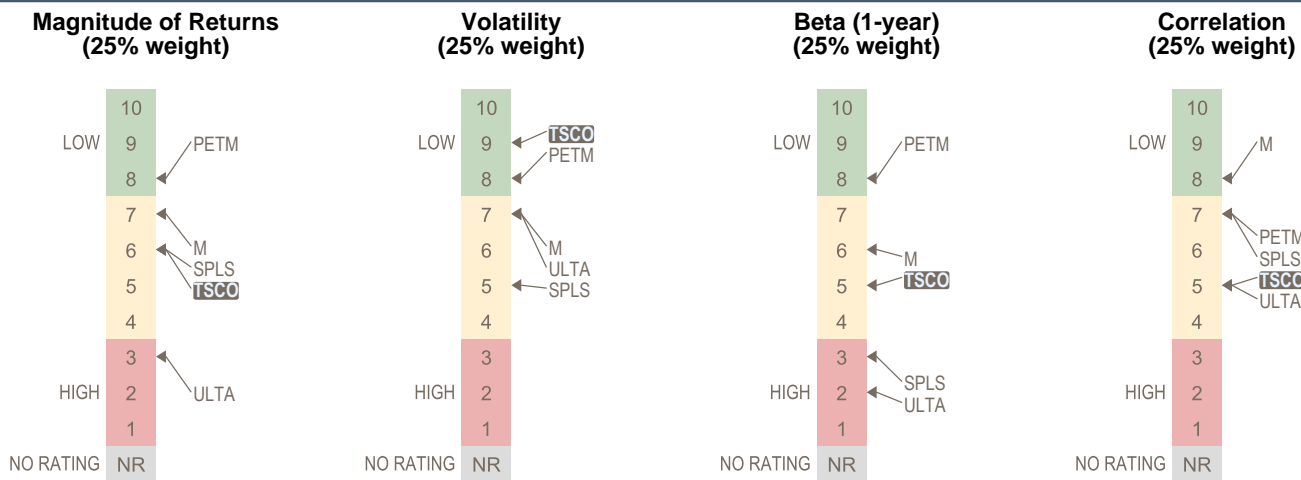
Moderate risk (medium volatility).

RISK 7	Peers	
	PETM	9
	M	8
	SPLS	5
	ULTA	4
	Averages	
	Other Specialty Retailers Group	4.9
	Retailers Sector	5
	S&P 500 Index	8.2
	Large Market Cap	7.7

Indicator Trend



Indicator Sub-Components



Daily Returns (last 90)

Best	9.8%
Worst	-1.9%

Monthly Returns (last 60)

Best	26.4%
Worst	-15.0%

Standard Deviation

Last 90 Days	1.67
Last 60 Months	8.56

Intra-Day Swing

Last 90 Days Avg	2.0%
Last 90 Days Largest	4.6%

Beta vs. S&P 500

0.93	
Positive Days Only	1.16
Negative Days Only	1.17

Beta vs. Sector

0.89	
Positive Days Only	0.91
Negative Days Only	0.76

Correlation vs. S&P 500

29%	
Last 90 Days	29%
Last 60 Months	50%

Correlation vs. Sector

47%	
Last 90 Days	47%
Last 60 Months	54%

Highlights

- TSCO currently has a Risk Rating of 7 while the S&P 500 index has an average rating of 8.2.
- On days when the market is up, TSCO shares tends to outperform the S&P 500 index. However, on days when the market is down, the shares generally decrease by more than the S&P 500 index.
- In the short term, TSCO has shown average correlation (≥ 0.2 and < 0.4) with the S&P 500 index. The stock has, however, shown high correlation (≥ 0.4) with the market in the long term.
- Over the last 90 days, TSCO's Standard Deviation has been 1.7 while that of the S&P 500 index has been 0.7.

Risk and Reward Analysis

	Last 90 Days				Last 60 Months		
	Best Daily Return	Worst Daily Return	# Days Up	# Days Down	Largest Intra-Day Swing	Best Monthly Return	Worst Monthly Return
TSCO	9.8%	-1.9%	35	25	4.6%	26.4%	-15.0%
S&P 500	2.5%	-1.8%	36	25	2.6%	10.8%	-16.9%



Price Momentum

Indicator Description

The **Price Momentum Indicator** displays stocks on a scale of 1-10 with 10 being awarded to the strongest stocks based on a combination of two technical performance factors: relative strength (70% weight) and seasonality (30% weight). A stock's 1-month, 3-month, and 6-month relative strength indicators are considered and combined. The seasonality measure reflects a stock's and industry's historic price performance for each month over the past 10 years.

Indicator

Strong recent relative price performance or entering historically **favorable seasonal** period.

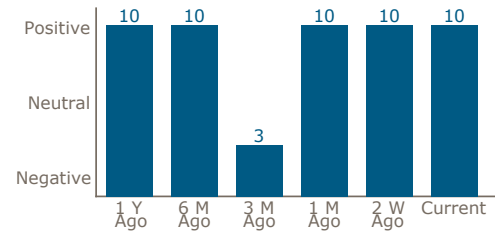


Peers	
M	8
PETM	5
SPLS	4
ULTA	4

Averages

Other Specialty Retailers Group	6.3
Retailers Sector	6.3
S&P 500 Index	6.4
Large Market Cap	6.6

Indicator Trend

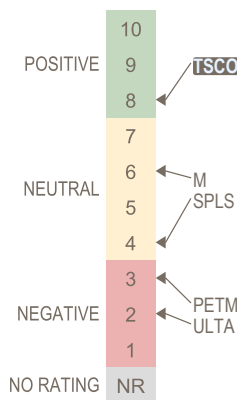


Last 5 Years

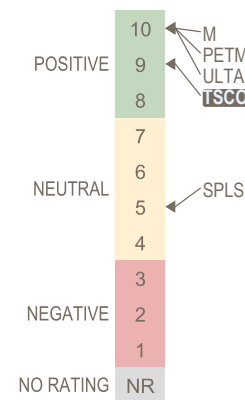
Best	Worst	Average
10 - (03/03/13)	2 - (12/16/12)	8.5

Indicator Sub-Components

Relative Strength (70% weight)



Seasonality (30% weight)

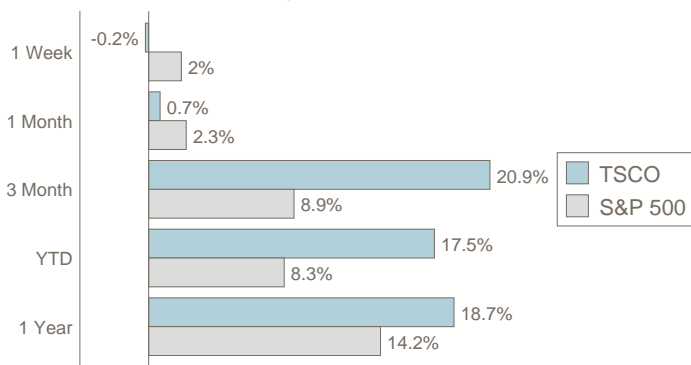


Relative Strength Indicator (scale 1-100, 100 being the best)	TSCO	Industry Avg
Last 1 Month	61	55
Last 3 Months	57	53
Last 6 Months	55	52

	Last 10 Years		
	Avg MAR Return	Avg APR Return	Avg MAY Return
Company Avg	4.5%	5.2%	-1.1%
Industry Avg	5.0%	6.2%	0.2%
Industry Rank	9 of 116	16 of 116	80 of 116

Price Performance

Daily closing pricing data is used to calculate the price performance of a stock over five periods. The performance of the S&P 500 is also displayed as a means of comparison.



	TSCO (USD)	S&P 500
Close Price (03/07/13)	103.82	1544
52-Week High	105.37	1544
52-Week Low	75.46	1278

- On 03/07/13, TSCO closed at 103.82, 1.5% below its 52-week high and 37.6% above its 52-week low.
- TSCO shares are currently trading 6.0% above their 50-day moving average of 97.98, and 12.1% above their 200-day moving average of 92.61.
- The S&P 500 is currently trading at its 52-week high of 1544.



Insider Trading

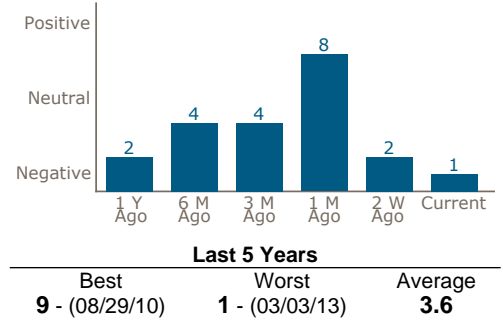
Indicator Description

The **Insider Trading Indicator** displays stocks on a scale of 1-10 with 10 being awarded to the strongest stocks based on short-term and long-term legal insider trading behavior. The short-term view (60% weight) focuses primarily on insider transactions within the past 90 days. The long-term view (40% weight) looks at buying, selling and option exercise decisions over the past six months relative to other stocks within the same business sector.

Indicator

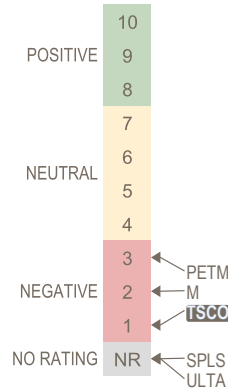
INSIDER TRADING	
1	
Peers	
ULTA	4
M	2
PETM	2
SPLS	NR
Averages	
Other Specialty Retailers Group	4.5
Retailers Sector	4.5
S&P 500 Index	3.6
Large Market Cap	3.7

Indicator Trend

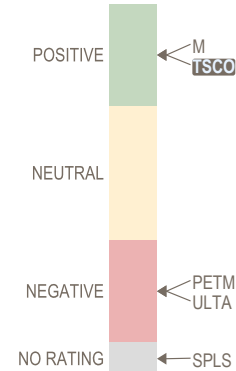


Indicator Sub-Components

Short-Term (60% weight)



Long-Term (40% weight)



Purchases and Sells

(Most recent transactions within the past 90 days)

Name	Role	Tran Date	Tran Type	Shares
Crudele, Anthony F	CFO	02/15/13-02/15/13	S	5,000
Vella, Kimberly D	O	02/15/13-02/15/13	S	26,893
Adams, John C Jr	D	02/15/13-02/15/13	S	7,000
Adams, John C Jr	D	01/31/13-01/31/13	S	4,000
Barbarick, Steve K	O	02/05/13-02/11/13	S	7,348

Last 6 Months

Total Shares Acquired	352,197
Total Shares Disposed	260,006
Net Shares (Acq - Disp)	92,191
Sector Avg	-169,249

Seasonal Sells - Quarterly & Yearly

(values in USD)

Time-series data for each quarter over the past three years allows you to easily analyze the longer-term trend in open-market insider selling.

Year	Q1	Q2	Q3	Q4	Year Total
2013	21.6M	--	--	--	21.6M
2012	11.7M	17.3M	1.43M	1.34M	31.8M
2011	14.7M	5.38M	8.60M	12.2M	40.9M
2010	2.56M	0.58M	11.7M	7.11M	22.0M

Seasonal Buys - Quarterly & Yearly

(values in USD)

Time-series data for each quarter over the past three years allows you to easily analyze the longer-term trend in open-market insider buying.

Year	Q1	Q2	Q3	Q4	Year Total
2013	0	--	--	--	0
2012	0	0	0	0	0
2011	0	0	0	0	0
2010	0	0	0.05M	0	48,782

Institutional Holders

(Updated weekly as of 03/02/13)

The top five institutional holders are presented based on the total number of shares held.

Institution	Inst. Type	# Shares Held	Reported Date
Barclays Global Investors, ...	Inv Mgmt	3.52M	12/31/12
Wells Capital Management Inc.	Inv Mgmt	3.36M	12/31/12
Vanguard Group, Inc.	Inv Mgmt	3.27M	12/31/12
T. Rowe Price Associates, Inc.	Inv Mgmt	3.10M	12/31/12
Neuberger Berman, LLC	Inv Mgmt	2.56M	12/31/12

Top Executive Holders

(Updated monthly as of 01/20/13)

The top five insider holders are presented based on the total number of direct holdings. Indirect holdings are excluded.

Insider Name	Role	# Direct Shares	Values (USD)	Reported Date
Wright, James F	CEO	0.31M	28.8M	04/19/12
Sandfort, Gregory A	P	85,185	8.01M	02/08/12
Crudele, Anthony F	CFO	70,923	6.67M	10/29/12
Bingleman, John C	D	70,472	6.63M	12/06/12
Ruta, Stanley L	CO	31,455	2.96M	03/29/11



Stock Report (10-Page) Report Tips

The Thomson Reuters Stock Report is a comprehensive, company-specific analysis that includes a proprietary Stock Rating along with underlying component indicators and supportive data elements. The report is updated daily, although some of the data elements are updated weekly.

Average Score

The Average Score combines a quantitative analysis of six widely-used investment decision making tools - Earnings, Fundamental, Relative Valuation, Risk, Price Momentum, and Insider Trading. First, a simple average of the six underlying component ratings is calculated. Then, a normal distribution is used to rank each stock on a scale of 1 to 10, with 10 being most favorable. A score of 8 to 10 is considered positive, 4 to 7 is neutral, and 1 to 3 is negative. These six factors may be evaluated differently using alternative methodologies, and the importance of individual factors varies across groups, market capitalization and investment styles. Additional criteria should always be used to evaluate a stock.

A stock must have sufficient data available for at least four of the six component indicators in order to receive an overall Average Score.

- United States Coverage: Of the 4,500 stocks within the Thomson Reuters U.S. universe, approximately 85% typically meet the criteria for generating an Average Score.

Optimized Score

As an alternative to the average score, the Stock Report includes an Optimized Score generated by independent research firm, Verus Analytics. It uses the same six component ratings, but rather than equally weighting each of the factors, the weighting varies by market capitalization of the underlying security based on backtesting research. These scores are also updated weekly and distributed normally on a 1 to 10 scale, with 10 being best. The variable size is assigned monthly by ranking the market capitalization and assigning the appropriate category as follows:

Large	-	Top 5.55%
Mid	-	Next 13.87%
Small	-	Next 34.68%
Micro	-	Remaining 45.9%

Indicator Components

- The six indicators that comprise the stock rating are displayed. Like the stock rating, the component rating scale is 1 to 10, with 10 being best. A company will receive an 'NR' for No Rating if the required data elements or criteria are not met.
- The indicators are updated weekly.

Peer Analysis

- The Thomson Reuters Business Classification (TRBC) system is used for industry comparisons. It is designed to track and display the primary business of a corporation by grouping together correlated companies that offer products and services into similar end markets. The system includes 10 Economic Sectors, 25 Business Sectors, 52 Industry Groups, and 124 Industries.
- The Peer Analysis section of the report compares the company to its ten closest peers. The peers are selected from the industry based on similar market capitalization. The peer listing may have fewer than ten companies if there are fewer than ten companies within that industry.

Highlights

The Thomson Reuters proprietary automated text-generation system creates highlights summarizing the most noteworthy data. The bullets will vary by company and will change from week to week as different criteria are met.

Earnings**Indicator**

The Earnings Rating is based on a combination of three factors: earnings surprise, estimate revision, and broker recommendation changes. Each factor is equally weighted. A stock needs to have at least two of the three earnings factors in order to receive a final earnings score. The company's current earnings indicator is presented for each factor alongside its four closest industry peers based on similar market capitalization.

- Earnings Surprise - The number of positive and negative surprises, along with the number of in-line announcements within the last 4 quarters.
- Estimate Revision - The number of up and down revisions and the average percentage change of those revisions within a 4 week period.
- Broker Recommendation Changes - The number of upgrades and downgrades in the last 120 days.

Indicator Trend

The best, worst, and average earnings indicator scores over the last five years allow users to put the current score into historical context. The trend graph displays the company-level earnings indicator for six time periods: 1 year ago, 6 months ago, 3 months ago, 1 month ago, 2 weeks ago, and current. If there is no rating, an 'NA' is inserted.

Price Target

The price target is based on the predictions of analysts covering the stock and shows the high, low and mean price expected within the next 12 months.

Earnings Per Share

The quarterly and annual earnings per share are presented, along with the mean, high and low. Quarterly data is available for the past 4 quarters (actual) and the next 2 quarters (estimated). Annual data is available for the past 2 years (actual) and the next 2 years (estimated).

Earnings Surprise

- The surprise summary includes the total number of quarters (and percentage) in the past 12 quarters in which earnings surprises were positive, negative, or in-line. In order to be recognized as a 'positive surprise', the surprise percent must be greater than 2% above the consensus. A 'negative surprise' is any surprise that is more than -2% below the consensus. Finally, an 'in-line surprise' is any surprise percent within 2% of the consensus.
- The surprise detail section includes detailed information on a company's quarterly earnings reported for the most recent 6 quarters. The consensus analyst estimate is provided to determine if the actual earnings report represented a positive surprise, negative surprise, or in-line result.

Mean Estimate Trend

The mean estimate trend shows how the consensus has changed over the past 30 and 90 days for the upcoming two quarters and two years. The percentage change is calculated for the company as a means for comparison by measuring the difference between the current consensus estimate and that of 90 days ago.

Analyst Recommendations

The First Call Mean is the mean recommendation of all analysts covering the stock. The recommendations are presented on a five-point scale: strong buy, buy, hold, reduce, and sell.

Fundamental**Indicator**

The Fundamental Rating is based on a combination of four fundamental component factors: profitability, debt, earnings quality, and dividend. Each factor is equally weighted. A stock needs to have at least three of the four fundamental factors present for a given fiscal quarter in order to receive a final fundamental score. Companies that do not pay a dividend are not penalized. The company's current fundamental indicator is presented for each factor alongside its four closest industry peers based on similar market capitalization.

- Profitability is comprised of four data elements.
 - Revenue Growth: $(\text{Net Sales} - \text{Previous Net Sales}) / \text{Previous Net Sales}$
 - Gross Margin: $\text{Gross Profit} / \text{Net Sales}$
 - Return on Equity: $\text{Net Income} / \text{Total Equity}$
 - Net Margin: $\text{Net Profit} / \text{Net Sales}$
- Debt is comprised of four data elements.
 - Current Ratio: $\text{Current Assets} / \text{Current Liabilities}$
 - Debt-to-Capital: $\text{Total Debt} / \text{Total Capital}$
 - Interest Funding: $\text{Interest Expense} / \text{Operating Cash Flow}$
 - Interest Coverage: $(\text{Pre-Tax Income} + \text{Interest Expense}) / \text{Interest Expense}$
- Earnings Quality is comprised of two data elements.
 - Days Sales in Inventory: $365 / (\text{Cost of Goods Sold} / \text{Inventory})$
 - Days Sales in Receivables: $365 / (\text{Net Sales} / \text{Receivables})$
- Dividend is comprised of four data elements. The company must have a current dividend yield.
 - Dividend Growth Rate: $(\text{Dividends per Share} - \text{Previous Dividends per Share}) / \text{Previous Dividends per Share}$
 - Dividend Funding: $\text{Dividends} / \text{Operating Cash Flow}$
 - Dividend Coverage: $(\text{Pre-Tax Income} + \text{Interest Expense}) / (\text{Interest Expense} + \text{Dividends})$
 - Current Dividend Yield: $\text{Annual Dividends per Share} / \text{Current Market Price per Share}$

Indicator Trend

The best, worst and average fundamental indicator scores over the last five years allow users to put the current score into historical context. The trend graph displays the company-level fundamental indicator for the last 6 quarters. If there is no rating, an 'NA' is inserted.

Relative Valuation**Indicator**

The Relative Valuation Rating is based on a combination of three component factors: Forward PEG (50% weight), Trailing P/E (25% weight), and Forward P/E (25% weight). These common valuation metrics are evaluated against the overall market, the index, and the company's own historic 5-year averages. A stock needs to have at least one of the three relative valuation factors present in order to receive a score. The company's current relative valuation indicator is presented for each factor alongside its four closest industry peers based on similar market capitalization.

- Trailing P/E: $\text{Close Price} / \text{Most Recent 4 Quarters of Earnings}$
- Forward P/E: $\text{Close Price} / \text{Upcoming 4 Quarters of Earnings}$
- Forward PEG: $\text{Forward P/E} / \text{Long-Term Forecasted Growth Rate}$



Indicator Trend

The best, worst, and average relative valuation indicator scores over the last five years allow users to put the current score into historical context. The trend graph displays the company-level relative valuation indicator for six time periods: 1 year ago, 6 months ago, 3 months ago, 1 month ago, 2 weeks ago, and current. If there is no rating, an 'NA' is inserted.

Valuation Averages

- Negative values are excluded when calculating the averages.
- A maximum value of 100 is placed on Trailing P/E and Forward P/E and a maximum value of 5 is placed on Forward PEG when calculating the averages. Higher values are rounded down to the maximum for the averages.

Valuation Multiples

The valuation multiples provide the Trailing P/E, Forward P/E, and Forward PEG for the company and the S&P 500 index average. In addition, a comparison of the current company's values to its 5-year average and the S&P 500 average are presented. A discount occurs when the company's Trailing P/E, Forward P/E, or Forward PEG is valued more favorably (lower) than that to which it is compared.

Risk**Indicator**

The Risk Rating displays stocks on a scale of 1 to 10 with 10 being awarded to the least risky stocks. It is derived by looking at a series of long-term (5-year) and short-term (90-day) stock performance measures including volatility (40% weight), magnitude of returns (30% weight), beta (20% weight), and correlation (10% weight). A stock needs to have at least two of the four risk factors in order to receive a final score. The company's current risk indicator is presented for each factor alongside its four closest industry peers based on similar market capitalization.

- Magnitude of Returns – The best / worst daily returns in the past 90 days and the best / worst monthly returns in the past 60 months.
- Volatility – The standard deviation of the stock price over the last 90 days and last 60 months. The average and largest intra-day stock swing is another measure of volatility.
- Beta – Measures how the stock performs versus the broader market based on the beta of the company versus the S&P 500 and the industry group.
- Correlation – Determines how correlated (or not) the stock is to the S&P 500 and the industry group in the last 90 days and last 60 months.

Indicator Trend

The best, worst, and average risk indicator scores over the last five years allow users to put the current score into historical context. The trend graph displays the company-level risk indicator for six time periods: 1 year ago, 6 months ago, 3 months ago, 1 month ago, 2 weeks ago, and current. If there is no rating, an 'NA' is inserted.

Risk and Reward Analysis

Price analysis for the company and the S&P 500 is provided over two time periods. Daily analysis is provided for the last 90 days, whereas monthly statistics are used for the last 60 months.

Price Momentum**Indicator**

The Price Momentum Rating is based on a combination of two technical performance factors: relative strength (70% weight) and seasonality (30% weight). A stock needs to have data for the relative strength factor in order to receive a price momentum score. The company's current price momentum indicator is presented for each factor alongside its four closest industry peers based on similar market capitalization.

- Relative Strength – The relative strength of the company for the last 1 month, 3 months, and 6 months on a scale of 1 to 100.
- Seasonality – The average monthly return (price performance) for the current month and next 2 months for the company and industry, over the past 10 years. A lower industry rank indicates a higher return.

Indicator Trend

The best, worst, and average price momentum indicator scores over the last five years allow users to put the current score into historical context. The trend graph displays the company-level price momentum indicator for six time periods: 1 year ago, 6 months ago, 3 months ago, 1 month ago, 2 weeks ago, and current. If there is no rating, an 'NA' is inserted.

Price Performance

Daily close pricing data is used to calculate the price performance of a stock. The performance of the S&P 500 is also displayed as a means of comparison.

Insider Trading**Indicator**

The Insider Trading Rating is based on short-term (60% weight) and long-term (40% weight) legal insider trading behavior. A stock needs to have at least one of the two insider trading factors in order to receive a score. The company's current insider trading indicator is presented for each factor alongside its four closest industry peers based on similar market capitalization.

- Short-Term Insider – Uses insider buy and sell transactions within the past 90 days. This factor is based on the Thomson Reuters quantitative insider trading model that considers the insider's role, consensus, number of shares, market capitalization of the company, and the historic stock performance following trades by the given insider.
- Long-Term Insider – Looks at buying, selling and option exercise decisions over the past six months relative to other stocks within the same business sector. The net shares are presented alongside the business sector average as a means of comparison.

Indicator Trend

The best, worst, and average insider trading indicator scores over the last five years allow users to put the current score into historical context. The trend graph displays the company-level insider trading indicator for six time periods: 1 year ago, 6 months ago, 3 months ago, 1 month ago, 2 weeks ago, and current. If there is no rating, an 'NA' is inserted.

Seasonal \$ Sells / Buys

The seasonal \$ quarterly and yearly sell / buy section provides time-series data that allows an easy analysis of the longer-term trend in open-market insider buying and selling (option acquisitions are not considered). Data is presented based on the market value of the transactions. Transactions by trusts and corporations are excluded, along with buys greater than \$10 million and sales greater than \$50 million. The transaction totals within each quarter are the sum of all buys or sells for that time period. Each quarter is a calendar quarter, January through March, April through June, etc. The value for the full year is the sum of each of the four quarterly averages.

Institutional and Executive Holders

The top five institutional and executive holders of the company are listed in descending order, based on their total direct common share holdings (options are not considered). Indirect holdings are excluded, as the owner may not actually have investment discretion over these shares. This table is updated monthly. Insiders who have not filed any transactions or holdings over the past two years are excluded as this may indicate that the individual is no longer associated with the company. Additionally, direct shares held must be greater than 1,000 to be considered.

Insider Roles

AF - Affiliate	CT - Chief Technology Officer	R - Retired
B - Beneficial Owner	D - Director	SH - Shareholder
CB - Chairman	EVP - Exec Vice President	SVP - Senior Vice President
CEO - Chief Executive Officer	GC - General Counsel	T - Trustee
CFO - Chief Financial Officer	O - Officer	TR - Treasurer
CM - Committee Member	OH - Other	VC - Vice Chairman
CO - Chief Operating Officer	P - President	VP - Vice President

Disclaimer

All information in this report is assumed to be accurate to the best of our ability. Past performance is not a guarantee of future results. The information contained in this report is not to be construed as advice and should not be confused as any sort of advice. Thomson Reuters, its employees, officers or affiliates, in some instances, have long or short positions or holdings in the securities or other related investments of companies mentioned herein. Investors should consider this report as only a single factor in making their investment decision.

