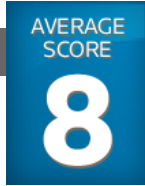


Last Close <b>1.63 (CAD)</b>	Avg Daily Vol <b>678,947</b>	52-Week High <b>3.05</b>	Trailing PE <b>6.4</b>	Annual Div --	ROE <b>20.4%</b>	LTG Forecast --	1-Mo Return <b>11.6%</b>
March 7, 2014 TORONTO Exchange	Market Cap <b>266M</b>	52-Week Low <b>1.00</b>	Forward PE <b>10.7</b>	Dividend Yield --	Annual Rev <b>163M</b>	Inst Own <b>53.0%</b>	3-Mo Return <b>45.5%</b>

**AVERAGE SCORE**

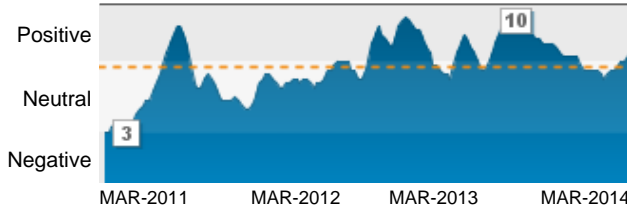


**POSITIVE OUTLOOK:** TMM's current score of 8 places it among the top quartile of stocks scored.

**Score Averages**

Metals & Mining Group: <b>4.3</b>	Small Market Cap: <b>6.7</b>
Mineral Resources Sector: <b>4.4</b>	TSX COMP Index: <b>7.1</b>

**Average Score Trend (4-Week Moving Avg)**



Peers	-6M	-3M	-1M	-1W	Current	1Y Trend
<b>TMM</b>	<b>8</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>8</b>	
KDX	6	4	7	7	7	
KGI	6	3	6	6	5	
MDW	6	3	6	5	4	
TNX	7	3	NR	NR	NR	

**HIGHLIGHTS**

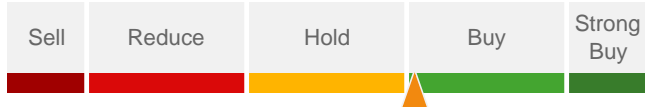
- The score for TIMMINS GOLD CORP improved slightly this week from 7 to 8.
- The recent change in the Average Score was primarily due to an improvement in the Earnings component score.

**THOMSON REUTERS I/B/E/S MEAN**

**Buy**

14 Analysts

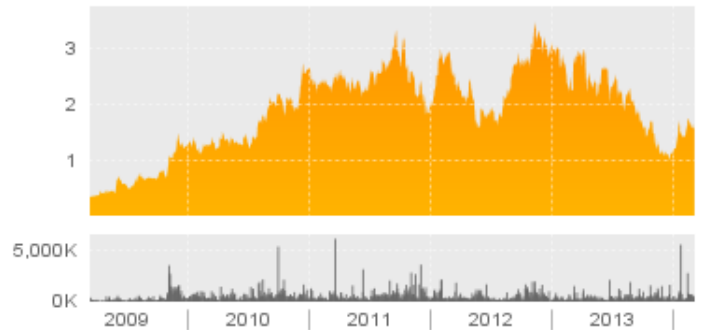
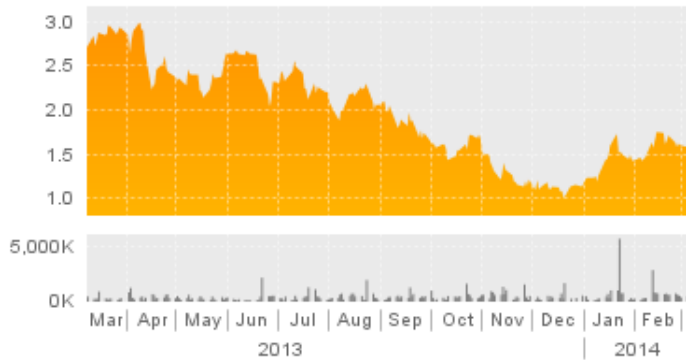
Mean recommendation from all analysts covering the company on a standardized 5-point scale.



**PRICE AND VOLUME CHARTS**

**1-Year Return: -41.4%**

**5-Year Return: 312.7%**



**BUSINESS SUMMARY**

Timmins Gold Corp. (Timmins) is a gold mining and exploration company. The Company is engaged in exploration, mine development and the mining and extraction of precious metals, primarily gold. Its primary asset and material mineral property is the San Francisco Gold Property located in Sonora, Mexico, which includes the Company's only operating mine (the Mine). Its projects include El Capomo Property, Timm Property, El Picacho Property, Patricia and Norma Property, San Onesimo, Zindy and San Fernando Properties, Quila Property and Cocula Property. El Capomo Property is located in Nayarit State, approximately 50 kilometers east of Puerto Vallarta. It acquired Timm Property by staking a 45,000 hectare land package in the Penasquito area. Patricia and Norma Property consists of approximately 20,000 hectares were staked by the Company and are located in the Municipality of Trincheras, Sonora, Mexico. Its Cocula Property is located approximately 50 kilometers west of Guadalajara, Jalisco.

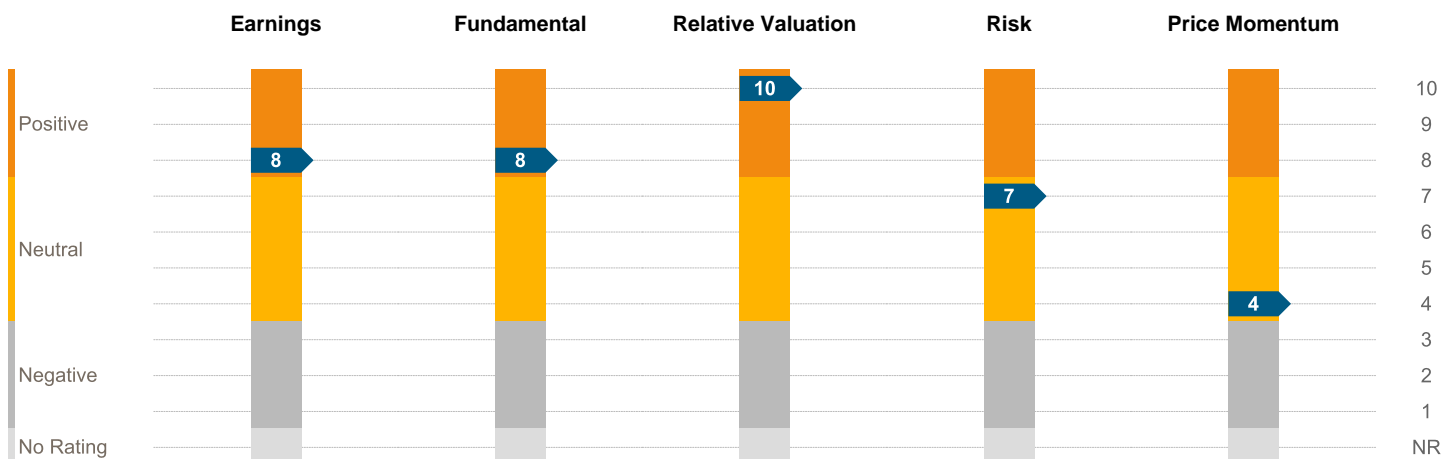


**INDICATOR COMPONENTS**

AVERAGE SCORE

**8**

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



**PEER ANALYSIS**

Currency in CAD

Average Score	Ticker	PRICE MOMENTUM				Market Cap	VALUATION		FUNDAMENTAL		ANALYSTS		# of Analysts
		Price (03/07/14)	1-Mo Return	3-Mo Return	1-Yr Return		Trailing PE	Forward PE	Dividend Yield	Net Margin	LTG Forecast	I/B/E/S Mean	
5	TGZ	1.14	20.0%	159.1%	-12.3%	361M	5.1	46.8	--	-0.9%	-25.6%	Buy	7
6	BRD	1.32	20.0%	120.0%	80.8%	307M	19.9	21.7	--	-1.0%	--	Buy	2
6	ATL	0.54	-10.0%	1.9%	200.0%	299M	--	--	--	-23.8%	-27.2%	Hold	3
5	KGI	4.14	22.5%	62.4%	-27.8%	290M	--	71.4	--	-9.5%	--	Hold	7
NR	TNX	2.76	16.0%	46.0%	-26.0%	279M	--	--	--	--	--	--	--
8	TMM	1.63	11.6%	45.5%	-41.4%	266M	6.4	10.7	--	12.5%	--	Buy	14
7	KDX	2.14	21.6%	38.1%	78.3%	234M	--	22.1	--	--	--	Buy	5
4	MDW	1.38	4.6%	66.3%	26.6%	183M	--	--	--	--	--	Buy	7
3	SBB	0.94	2.2%	64.9%	-49.7%	182M	--	--	--	--	--	Buy	5
7	ATC	1.54	92.5%	140.6%	28.3%	175M	--	--	--	--	--	Buy	3
6	BAA	0.68	23.6%	6.3%	-61.8%	171M	15.4	--	--	-13.5%	--	Hold	5
5.7	Average	1.66	20.4%	68.3%	17.7%	250M	11.7	34.5	--	-6.0%	-26.4%	Buy	5.8

**PEER COMPANIES**

TGZ	TERANGA GOLD CORP	KDX	KLONDEX MINES LTD
BRD	BRIGUS GOLD CORPORATION	MDW	MIDWAY GOLD CORPORATION
ATL	ATLATSIA RESOURCES	SBB	SABINA GOLD & SILVER
KGI	KIRKLAND LAKE GOLD INC	ATC	ATAC RESOURCES LTD
TNX	TANZANIAN ROYALTY EXPLORATION	BAA	BANRO CORPORATION



**EARNINGS**

EARNINGS

**8**

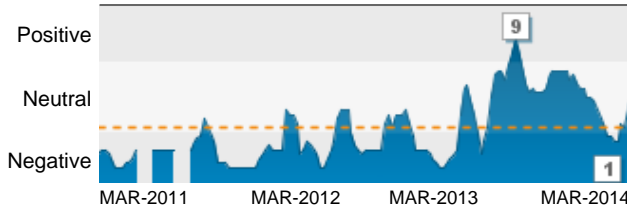
Currency in USD

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

**Earnings Score Averages**

Metals & Mining Group:	<b>5.3</b>	Small Market Cap:	<b>5.2</b>
Mineral Resources Sector:	<b>5.3</b>	TSX COMP Index:	<b>5.7</b>

**Earnings Score Trend (4-Week Moving Avg)**



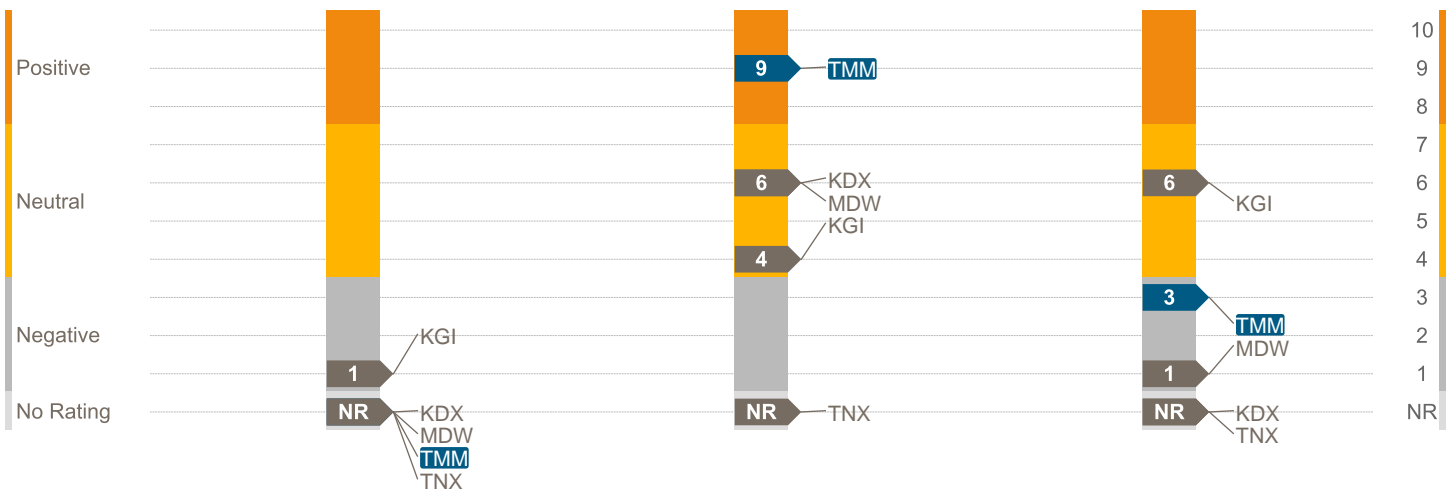
Peers	-6M	-3M	-1M	-1W	Current	1Y Trend
<b>TMM</b>	7	5	4	6	<b>8</b>	
KGI	4	1	7	6	<b>3</b>	
MDW	3	3	3	3	<b>2</b>	
KDX	7	NR	NR	NR	<b>NR</b>	
TNX	NR	NR	NR	NR	<b>NR</b>	

**EARNINGS INDICATORS**

**Earnings Surprises**  
(33.3% weight)

**Estimate Revisions**  
(33.3% weight)

**Recommendation Changes**  
(33.3% weight)



**Last 4 Quarters**

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

**Last 4 Weeks**

# Up Revisions	2
# Down Revisions	0
Avg Up Revisions	14.3%
Avg Down Revisions	0.0%

**Last 120 Days**

# Broker Upgrades	0
# Broker Downgrades	1

**HIGHLIGHTS**

- TMM's Earnings Rating improved significantly over the past two weeks from 2 to 8. The current rating is considerably more bullish than the Gold Industry average of 5.6.
- On 03/07/14, the company announced quarterly earnings of 0.03 per share, a negative surprise of -42.3% below the consensus 0.05. Over the past 4 quarters, the company has reported 1 positive (>2%), 3 negative (<-2%), and 0 in-line (within 2%) surprises. The average surprise for this time period has been -18.0%.
- TMM's current quarter consensus estimate has decreased over the past 90 days from 0.06 to 0.05, a loss of -5.5%. However, during the same time period, the average decline for the Industry was a greater -3.0%.

**PRICE TARGET**

The chart indicates where analysts predict the stock price will be within the next 12 months, as compared to the current price.



**12-Month Price Target**

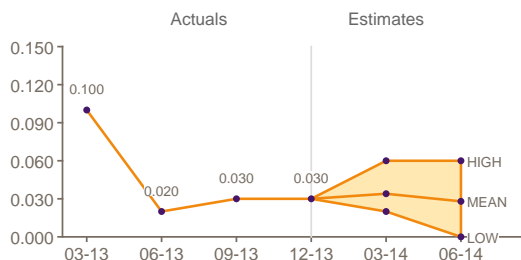
Mean	2.00
High	2.52
Low	1.21
Target vs. Current	23.0%
# of Analysts	14



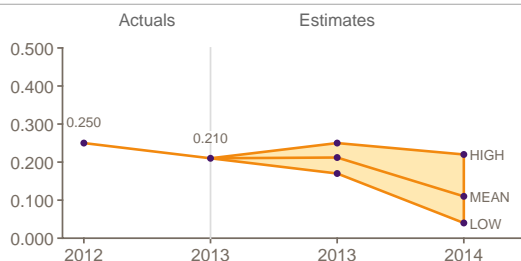
**EARNINGS PER SHARE**

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

The charts provide a comparison between a company's actual and estimated EPS, including the high and low forecasts.



Quarterly	03-14	06-14
Mean	0.034	0.028
High	0.060	0.060
Low	0.020	0.000
# of Analysts	7	7



Annual	2013	2014
Mean	0.212	0.110
High	0.250	0.220
Low	0.170	0.040
# of Analysts	13	13

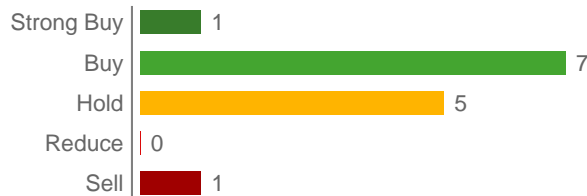
**MEAN ESTIMATE TREND**

	Q 03-14	Q 06-14	Y 2014	Y 2015	Price Target
Current	0.034	0.028	0.110	0.126	2.00
30 Days Ago	0.032	0.032	0.123	0.142	1.95
90 Days Ago	0.038	0.038	0.151	0.164	2.38
% Change (90 Days)	-10.5%	-26.3%	-27.2%	-23.2%	-19.2%

Next Expected Report Date: 03/07/14

**ANALYST RECOMMENDATIONS**

Thomson Reuters I/B/E/S Mean: **Buy** (14 Analysts)



**EARNINGS SURPRISES**

Comparing a company's actual earnings to the mean expectation of analysts results in a difference referred to as a 'positive' or 'negative' surprise. Research has shown that when a company reports a surprise, it is often followed by more of the same surprise type.

**Surprise Summary (Last 12 Quarters)**

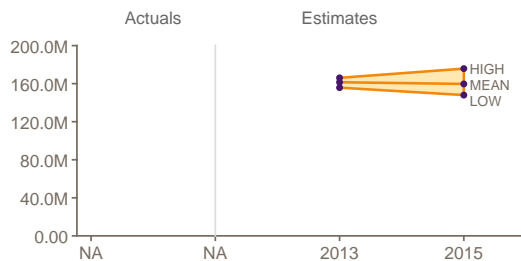
Surprise Type	Amount	Percent
Positive Quarters (> 2%)	3	25.0%
Negative Quarters (< -2%)	8	66.7%
In-Line Quarters (within 2%)	1	8.3%

**Surprise Detail (Last 6 Periods)**

Surprise Type	Announce Date	Period End Date	Actual EPS	Mean EPS	Surprise (%)
NEGATIVE	03/06/14	12/31/13	0.030	0.052	-42.3%
NEGATIVE	10/29/13	09/30/13	0.030	0.053	-43.4%
NEGATIVE	08/08/13	06/30/13	0.020	0.055	-63.6%
POSITIVE	05/08/13	03/31/13	0.100	0.079	26.6%
NEGATIVE	03/20/13	12/31/12	0.090	0.095	-5.3%
POSITIVE	11/08/12	09/30/12	0.090	0.074	21.6%

**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	2015
Mean	161.5M	159.7M
High	166.1M	175.8M
Low	155.8M	148.0M
Forecasted Growth	--	--
# of Analysts	10	8



**FUNDAMENTAL**

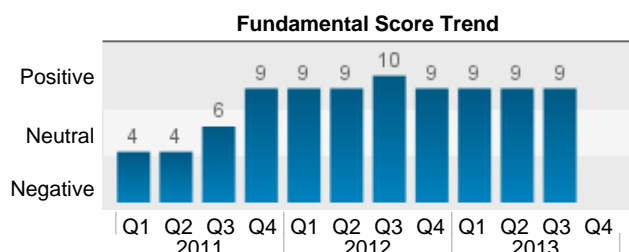
FUND-  
AMENTAL

**8**

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

**Fundamental Score Averages**

Metals & Mining Group: **4.3**      Small Market Cap: **6.7**  
Mineral Resources Sector: **4.4**      TSX COMP Index: **7.4**



Peers	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Current	3Y Trend
<b>TMM</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>NR</b>	<b>8</b>	
KGI	9	8	5	8	<b>6</b>	
KDX	NR	NR	NR	NR	<b>NR</b>	
MDW	NR	NR	NR	NR	<b>NR</b>	
TNX	NR	NR	NR	NR	<b>NR</b>	

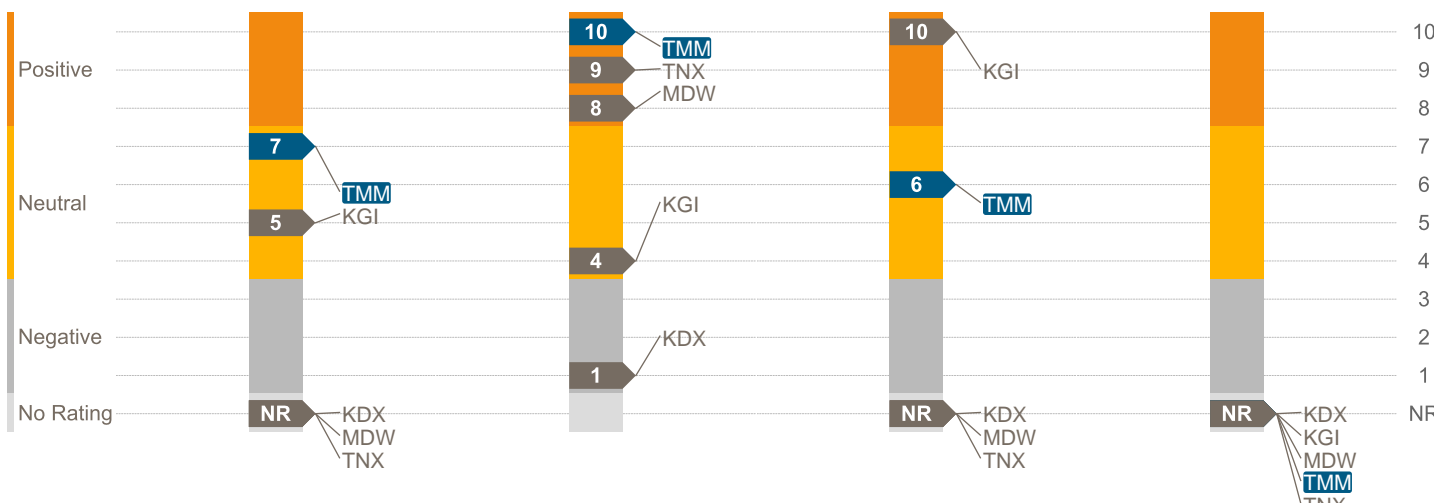
**FUNDAMENTAL INDICATORS**

**Profitability**  
(25% weight)

**Debt**  
(25% weight)

**Earnings Quality**  
(25% weight)

**Dividend**  
(25% weight)



<b>Revenue Growth</b> For year over year ending 09/13	7.4%	<b>Current Ratio</b> For year over year ending 09/13	1.6	<b>Days Sales in Inv.</b> For period ending 12/12	140.3	<b>Div. Growth Rate</b> For year over year ending --	--
<b>Gross Margin</b> For trailing 4 qtrs ending 09/13	32.5%	<b>Debt-to-Capital</b> For trailing 4 qtrs ending 12/12	0.0%	<b>Days Sales in Rec.</b> For period ending 12/12	22.1	<b>Dividend Funding</b> For trailing 4 qtrs ending --	--
<b>Return on Equity</b> For trailing 4 qtrs ending 09/13	20.4%	<b>Interest Funding</b> For trailing 4 qtrs ending 09/13	4.8%			<b>Dividend Coverage</b> For trailing 4 qtrs ending --	--
<b>Net Margin</b> For trailing 4 qtrs ending 09/13	12.5%	<b>Interest Coverage</b> For trailing 4 qtrs ending 09/13	23.1			<b>Current Div. Yield</b> For trailing 4 qtrs ending --	--

**HIGHLIGHTS**

- TMM currently has a Fundamental Rating of 8, which is significantly more bullish than the Metals & Mining Industry Group average of 4.3.
- TIMMINS GOLD CORP's gross margin (trailing 4 quarters) of 32.5% is substantially above the Metals & Mining Industry Group average of 7.4%.
- The company does not currently pay a dividend. Of the 1268 firms within the Metals & Mining Industry Group, it is among the 1251 companies without a dividend.
- TIMMINS GOLD CORP's days sales in receivables of 22.1 is substantially shorter than the Metals & Mining Industry Group average of 69.0.
- TIMMINS GOLD CORP's interest coverage (number of times interest payments are covered by EBIT) of 23.1 is substantially above the Metals & Mining Industry Group average of -27.9.



**RELATIVE VALUATION**

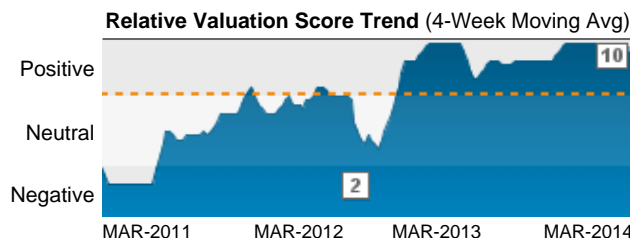
**POSITIVE OUTLOOK:** Multiples significantly below the market or the stock's historic norms.

RELATIVE VALUATION

**10**

**Relative Valuation Score Averages**

Metals & Mining Group: **5.9**      Small Market Cap: **5.2**  
Mineral Resources Sector: **5.9**      TSX COMP Index: **4.8**



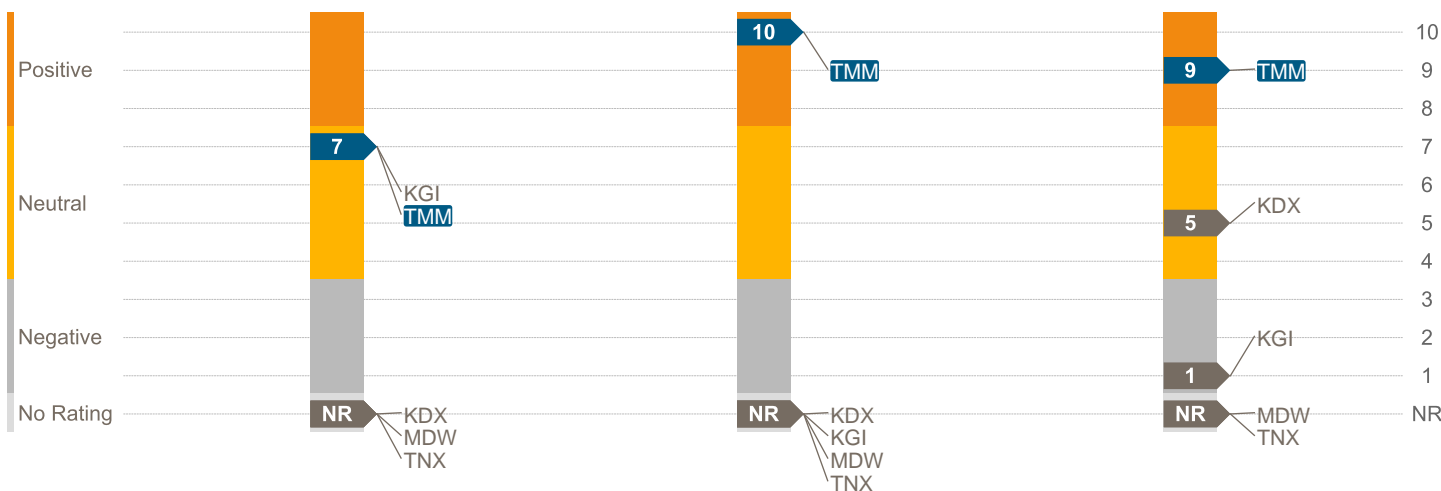
Peers	-6M	-3M	-1M	-1W	Current	1Y Trend
TMM	9	10	10	10	10	
KDX	2	NR	5	5	5	
KGI	3	6	5	5	4	
MDW	NR	NR	NR	NR	NR	
TNX	NR	NR	NR	NR	NR	

**RELATIVE VALUATION INDICATORS**

**Price to Sales**  
(50% weight)

**Trailing PE**  
(25% weight)

**Forward PE**  
(25% weight)



Price to Sales	1.5	Trailing PE	6.4	Forward PE	10.7
5-Yr Average	7.3	5-Yr Average	23.4	5-Yr Average	10.6
Rel. to 5-Yr Avg.	80% Discount	Rel. to 5-Yr Avg.	73% Discount	Rel. to 5-Yr Avg.	2% Premium
TSX COMP Index	3.5	TSX COMP Index	27.6	TSX COMP Index	23.6
Rel. To TSX COMP	57% Discount	Rel. To TSX COMP	77% Discount	Rel. To TSX COMP	54% Discount

**HIGHLIGHTS**

- The company's Price to Sales, Trailing P/E, and Forward P/E multiples are all currently at or near their 5-year lows.
- Based on Trailing P/E, TMM currently trades at a 68% Discount to its Metals & Mining Group peers. On average, the company has traded at a 79% Discount over the past five years.
- TMM currently has a Valuation Rating of 10 which is significantly above the S&P/TSX COMPOSITE index average rating of 4.8.
- Based on Price to Sales, TMM currently trades at a 62% Discount to its Metals & Mining Group peers. On average, the company has traded at a 78% Discount over the past five years.
- TMM's Forward P/E of 10.7 represents a 2% Premium to its 5-year average of 10.6.



**PRICE TO SALES**

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

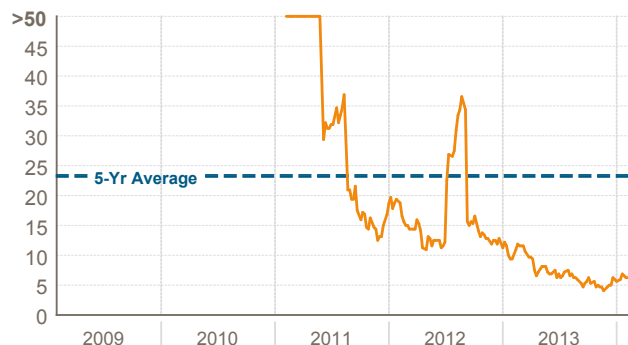
Price to Sales: 1.5  
5-Year Average: 7.3  
TSX COMP Index Average: 3.5  
Metals & Mining Group Average: 4.0



**TRAILING PE**

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

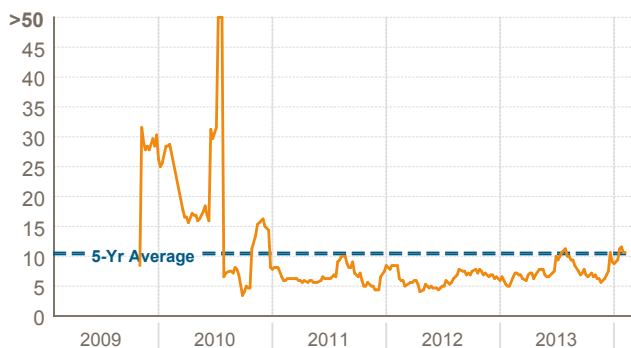
Trailing PE: 6.4  
5-Year Average: 23.4  
TSX COMP Index Average: 27.6  
Metals & Mining Group Average: 20.3



**FORWARD PE**

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

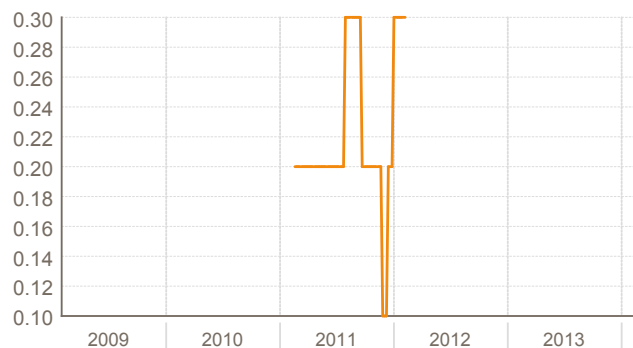
Forward PE: 10.7  
5-Year Average: 10.6  
TSX COMP Index Average: 23.6  
Metals & Mining Group Average: 27.6



**FORWARD PEG**

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

Forward PEG: --  
5-Year Average: --  
TSX COMP Index Average: 2.1  
Metals & Mining Group Average: 3.4



**RISK**

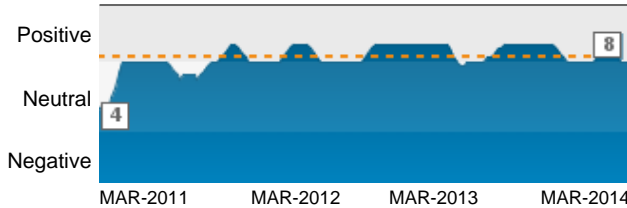


**NEUTRAL OUTLOOK:** Moderate risk (medium volatility).

**Risk Score Averages**

Metals & Mining Group: **4.2**  
 Mineral Resources Sector: **4.2**  
 Small Market Cap: **8.3**  
 TSX COMP Index: **9.0**

**Risk Score Trend (4-Week Moving Avg)**



Peers	-6M	-3M	-1M	-1W	Current	1Y Trend
MDW	8	8	8	7	8	
KDX	7	8	7	7	7	
KGI	7	7	7	7	7	
<b>TMM</b>	<b>8</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>	
TNX	5	5	5	5	5	

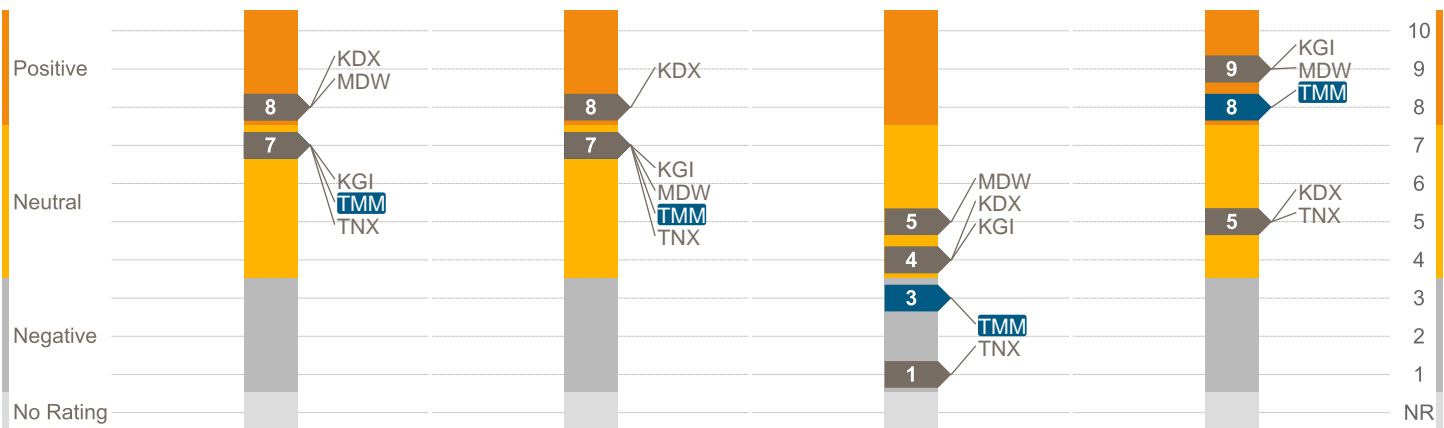
**RISK INDICATORS**

**Magnitude Of Returns**  
(25% weight)

**Volatility**  
(25% weight)

**Beta (1-year)**  
(25% weight)

**Correlation**  
(25% weight)



**Daily Returns (Last 90 Days)**

Best 8.7%  
 Worst -12.7%

**Monthly Returns (Last 60 Months)**

Best 61.6%  
 Worst -28.0%

**Standard Deviation**

Last 90 Days 4.25  
 Last 60 Months 17.35

**Intra-Day Swing (Last 90 Days)**

Last 90 Days Avg 5.2%  
 Last 90 Days Largest 13.1%

**Beta vs. TSX COMP**

2.37  
 Positive Days Only 2.22  
 Negative Days Only 3.89

**Beta vs. Group**

1.27  
 Positive Days Only 0.84  
 Negative Days Only 1.28

**Correlation vs. TSX COMP**

Last 90 Days 20%  
 Last 60 Months 26%

**Correlation vs. Group**

Last 90 Days 44%  
 Last 60 Months 35%

**HIGHLIGHTS**

- TMM currently has a Risk Rating of 7 while the S&P/TSX COMPOSITE index has an average rating of 9.
- On days when the market is up, TMM shares tends to outperform the S&P/TSX COMPOSITE index. However, on days when the market is down, the shares generally decrease by more than the S&P/TSX COMPOSITE index.
- In both short-term and long-term periods, TMM has shown average correlation (>0.2 and <0.4) with the S&P/TSX COMPOSITE index. Thus, this stock would provide only average levels of diversification to a portfolio similar to the broader market.
- Over the last 90 days, TMM's Standard Deviation has been 4.3 while that of the S&P/TSX COMPOSITE index has been 0.5.

**RISK ANALYSIS**

Peers	Last 90 Days			Last 60 Months		
	Best Daily Return	Worst Daily Return	# Days Up / # Days Down	Largest Intra-Day Swing	Best Monthly Return	Worst Monthly Return
<b>TMM</b>	<b>8.7%</b>	<b>-12.7%</b>	<b>34 / 23</b>	<b>13.1%</b>	<b>61.6%</b>	<b>-28.0%</b>
KDX	5.6%	-3.4%	30 / 21	9.6%	79.8%	-24.3%
KGI	10.7%	-13.3%	33 / 24	13.9%	61.5%	-37.2%
MDW	11.8%	-11.6%	30 / 25	26.4%	55.3%	-21.0%
TNX	18.9%	-7.5%	31 / 27	15.7%	34.2%	-41.2%
<b>TSX COMP</b>	<b>1.2%</b>	<b>-1.5%</b>	<b>41 / 20</b>	<b>1.8%</b>	<b>11.2%</b>	<b>-9.0%</b>





**PRICE MOMENTUM**

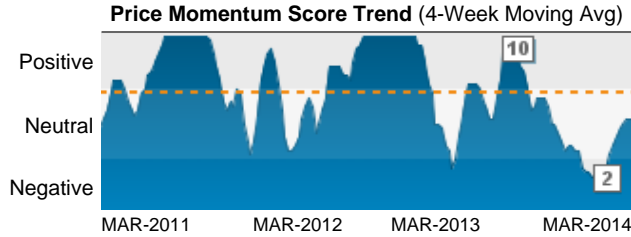


Currency in CAD

**NEUTRAL OUTLOOK:** Performance relatively in-line with the market.

**Price Momentum Score Averages**

Metals & Mining Group:	<b>4.5</b>	Small Market Cap:	<b>7.2</b>
Mineral Resources Sector:	<b>4.5</b>	TSX COMP Index:	<b>7.3</b>

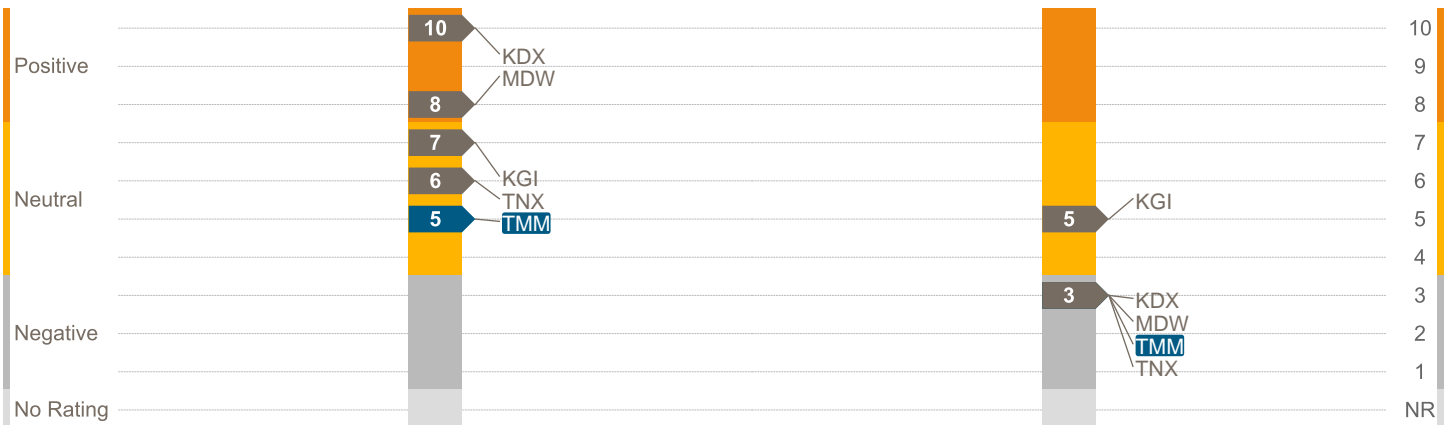


Peers	-6M	-3M	-1M	-1W	Current	1Y Trend
KDX	9	6	8	9	<b>9</b>	
KGI	7	1	5	6	<b>7</b>	
MDW	7	3	8	6	<b>7</b>	
TNX	9	2	5	4	<b>5</b>	
<b>TMM</b>	<b>5</b>	<b>2</b>	<b>4</b>	<b>4</b>	<b>4</b>	

**PRICE MOMENTUM INDICATORS**

**Relative Strength**  
(70% weight)

**Seasonality**  
(30% weight)



**Relative Strength Indicator** (scale 1-100, 100 is best)

	TMM	Industry Avg
Last 1 Month	55	54
Last 3 Months	51	52
Last 6 Months	49	49

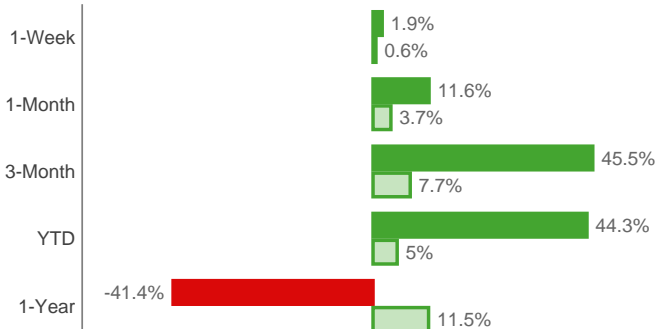
**Average Monthly Return** (Last 10 Years)

	MAR	APR	MAY
Company Avg	-2.7%	7.6%	-3.8%
Industry Avg	0.3%	-1.9%	-1.5%
Industry Rank	49 of 69	67 of 70	58 of 72

**PRICE PERFORMANCE**

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

■ TMM  
■ TSX COMP



	TMM	TSX COMP
Close Price (03/07/14)	1.63	14299
52-Week High	3.05	14304
52-Week Low	1.00	11837

- On 03/07/14, TMM closed at 1.63, 46.6% below its 52-week high and 63.0% above its 52-week low.
- TMM shares are currently trading 9.4% above their 50-day moving average of 1.49, and 6.9% below their 200-day moving average of 1.75.
- The S&P/TSX COMPOSITE is currently 0.0% below its 52-week high and 20.8% above its 52-week low.



## DETAILED STOCK REPORT TIPS

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

**Average Score**

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

A company must have sufficient data available for at least three of the five component indicators in order to receive an overall Average Score. Approximately 85% of the stocks within the coverage universe meet the criteria to generate a score.

**Indicator Components**

The five indicators that comprise the stock rating are displayed. Like the stock rating, the component rating scale is 1 to 10, with 10 being best. A company will receive an 'NR' for No Rating if the required data elements or criteria are not met. A detailed section for each component is included in the report.

**Indicator Trends**

Within each component section, historical score trends are displayed, typically using a 4-week moving average over a timeframe of the past three years. The dotted orange line indicates the average of the scores over those three years. The most recent occurrence of the best and worst scores are also displayed on the chart in grey boxes to put the current score into historical context.

Next to the trend chart for the company, current score averages are included, along with peer company comparisons of values from 6 months ago, 3 months ago, 1 month ago, the most recent value from 1 week ago, and the current score. The four closest industry peers are presented based on similar market capitalization.

**Peer Analysis**

- The Thomson Reuters Business Classification (TRBC) system is used for industry comparisons. It is designed to track and display the primary business of a corporation by grouping together correlated companies that offer products and services into similar end markets. The system includes 10 Economic Sectors, 28 Business Sectors, 54 Industry Groups, and 136 Industries.
- The Peer Analysis section of the report compares the company to its ten closest peers. The peers are selected from the industry based on similar market capitalization. The peer listing may have fewer than ten companies if there are fewer than ten companies within that industry classification.

**Highlights**

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

**Earnings**

The Earnings Rating is based on a combination of three factors: earnings surprise, estimate revision, and recommendation changes. Each factor is equally weighted. Then, equal deciles are used to rank each stock across the market on a scale of 1 to 10, with 10 being most favorable. A stock needs to have at least two of the three earnings factors in order to receive a score.

- Earnings Surprises - The number of positive and negative surprises within the last 4 periods (quarters or years).
- Estimate Revisions - The number of up and down revisions and the average percentage change of those revisions within a 4 week period.
- Recommendation Changes - The number of broker upgrades and downgrades in the last 120 days.

**Price Target**

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

**Earnings Per Share**

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

**Mean Estimate Trend**

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

**Analyst Recommendations**

The Thomson Reuters I/B/E/S Mean is the mean recommendation of all analysts covering the stock. The recommendations are presented on a five-point standardized scale: strong buy, buy, hold, reduce, and sell.

**Earnings Surprises**

- The surprise summary includes the total number of time periods (and percentage) in the last 12 quarters (quarterly) or last 4 years (annual) in which earnings surprises were positive, negative, or in-line. In order to be recognized as a positive or negative surprise, the percent must be greater than 2% above or 2% below the consensus, respectively.
- The surprise detail section includes a listing of the company's quarterly earnings reported for the most recent 6 periods (quarters or years). The consensus analyst estimate is provided to determine if the actual earnings report represented a positive surprise, negative surprise, or in-line result.

**Fundamental**

The Fundamental Rating is based on a combination of four fundamental component factors: profitability, debt, earnings quality, and dividend. Companies that do not pay a dividend are not penalized. Each factor is equally weighted. Then, equal deciles are used to rank each stock across the market on a scale of 1 to 10, with 10 being most favorable. A stock needs to have at least three of the four fundamental factors present in order to receive a score.

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

**Indicator Trend**

The fundamental indicator trend displays either quarterly scores over the past three years or annual scores over the past six years, depending on the reporting periods for the country. The best and worst scores can be easily determined from the values shown on the chart for each quarter or year.

**Relative Valuation**

The Relative Valuation Rating is based on a combination of three component factors: Price to Sales (50% weight), Trailing P/E (25% weight), and Forward P/E (25% weight). After the weightings are considered to combine individual factors, equal deciles are used to rank each stock across the market on a scale of 1 to 10, with 10 being most favorable. These common valuation metrics are evaluated against the overall market, the index, and the company's own historic 5-year averages. A stock needs to have at least one of the three relative valuation factors in order to receive a score.

- Price to Sales: Close Price / (Sales for 4 Quarters or 1 Year / Shares Outstanding)
- Trailing P/E: Close Price / Most Recent 4 Quarters or 1 Year of Earnings
- Forward P/E: Close Price / Upcoming 4 Quarters or 1 Year of Earnings

**Valuation Averages**

Negative values are excluded when calculating the averages. A maximum value of 100 is placed on Trailing P/E and Forward P/E, a maximum value of 5 is placed on Forward PEG, and a maximum value of 20 is placed on Price to Sales when calculating the averages. Higher values are rounded down to the maximum for the averages.



**Valuation Multiples**

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

**Risk**

The Risk Rating displays stocks on a scale of 1 to 10 with 10 being awarded to the least risky stocks. It is derived by looking at a series of long-term (5-year) and short-term (90-day) stock performance measures including volatility, magnitude of returns, beta, and correlation. Each factor is equally weighted. Then, equal deciles are used to rank each stock across the market. A stock needs to have at least two of the four risk factors in order to receive a score.

- Magnitude of Returns – The best / worst daily returns in the past 90 days and the best / worst monthly returns in the past 60 months.
- Volatility – The standard deviation of the stock price over the last 90 days and last 60 months, along with the average and largest intra-day stock swing.
- Beta – Measures the tendency of a security's returns to respond to swings in the market, based on the beta of the company versus the relevant index.
- Correlation – Determines how closely the returns of the stock and the relevant index move together, measured over the last 90 days and last 60 months.

**Risk Analysis**

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

**Price Momentum**

The Price Momentum Rating is based on a combination of two technical performance factors: relative strength (70% weight) and seasonality (30% weight). After the weightings are considered to combine individual factors, equal deciles are used to rank each stock across the market on a scale of 1 to 10, with 10 being most favorable. A stock needs to have data for the relative strength factor in order to receive a score.

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

**Price Performance**

Daily close prices are used to calculate the price performance of the stock. The performance of the relevant index is also displayed as a means of comparison.

**DISCLAIMER**

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.

