

## 'FIGURE' RESEARCH METHODOLOGY

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Equity valuations by PRiS are based on the 'FIGURE' research methodology. FIGURE is our 6-point system for analyzing the stocks under our universe of coverage. We believe that this method, together with our independent and unbiased approach to stock analysis, lends a unique edge to our forecasts and ratings.

PRiS' FIGURE equity research methodology is devised to rate stocks as 'BUY', 'ADD', 'HOLD', 'REDUCE' or 'SELL' based on a qualitative and quantitative analysis of the company. It includes a thorough analysis of the stock's fundamental and technical indicators, key performance risks and sector outlooks, to segregate the leaders from the laggards.

**F**inancial Strength Analysis – We analyze company's financial statements, conduct an elaborate ratio analysis and delve into the footnotes of its publicly available documents to fully understand the obligations and opportunities in the business.

**I**ndustry Analysis – This step is meant to ascertain how the economy and industry are slated to perform over the next year or two. Also, we determine the company's prospects based on a SWOT analysis and competitive positioning within the industry.

**G**rowth Estimation – We forecast growth in sales, earnings and dividends of company by studying the growth in individual product/service lines and operational efficiencies. We refine historical performance data based on published reports & management guidance, and compare it versus the company's peers and the market.

**U**niformity Analysis – Here we study the technical indicators while gauging the stock's price movements in relation to normalized major indices, sectoral indices and its peers to identify 'fair-price', 'over-bought' and 'over-sold' scenarios.

**R**isk Assessment – While the assessment of qualitative risk is based on Porter's Five Force model, we determine the quantitative risk by carrying out a regression analysis to correlate a company's stock returns with the market's returns, and establish the predictability of the relationship

**E**quity Valuation – Our approach to an equity's valuation is multi-pronged. We adopt P/E valuation technique as well as dividend discount modeling to predict the price target, which we estimate can be achieved over a twelve-month period.

For more information, please visit us at [www.pris.co.in](http://www.pris.co.in)

**Disclaimer:** PRiS does not guarantee any specific financial outcome or market performance based on its research & advisory services.