

'FIGURE' RESEARCH METHODOLOGY

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.

Financial 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.

Industry 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.

Growth 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.

Uniformity 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.

Risk 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

Equity 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

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