



## Subject: Get Earnings Distortion Scores on the Ratings Page

Platinum and higher members can now see our [Earnings Distortion Scores](#) for all ~3000 stocks under coverage on the Ratings page. We plan to add [Earnings Distortion Scores](#) to all clients' Portfolio pages next.

Per the picture below, the Earnings Distortion Score will display above Analyst Notes on the Ratings page.

Stocks, ETFs, & Mutual Funds Sectors

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Ticker: a **View Ratings** Coverage Ratings Methodology

**Agilent Technologies, Inc. (A)** Closing Price: \$90.12 (Jan 17, 2020)  
Market Value: \$28.0 Billion  
Dividend Yield: 0.8%  
Sector: Healthcare

**Earnings Distortion Score** : Miss **NEW - Learn more.**

Analyst Notes : None

Risk/Reward Rating ?	Quality of Earnings		Valuation		
	Economic vs Reported EPS ?	ROIC ?	FCF Yield ?	Price to EBV ?	Market-Implied GAP ?

We provide Earnings Distortion Scores for all stocks under coverage. These scores indicate how likely companies are to beat or miss estimates.

We measure [earnings distortion](#) using a proprietary human-assisted ML technology featured in [Core Earnings: New Data & Evidence](#). This paper empirically concludes that our “novel dataset” is superior to:

1. “Street Earnings” from Refinitiv’s IBES, owned by Blackstone (BX) and Thomson Reuters (TRI), and
2. “Income Before Special Items” from Compustat, owned by S&P Global (SPGI)

The paper also shows that investors with [better earnings](#) research have a clear advantage in predicting:

1. Future earnings (Section 3.4)
2. Future stock prices (Section 4.3)

Please contact us at [support@newconstructs.com](mailto:support@newconstructs.com) if you have any questions.

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*Disclosure: David Trainer and Kyle Guske II receive no compensation to write about any specific stock, sector, style, or theme.*

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## ***Footnotes adjustments matter. We are the ONLY source.***

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We provide ratings, models, reports & screeners on U.S. 3,000 stocks, 700 ETFs and 7,000 mutual funds.

**HBS & MIT Sloan research** reveals that:

- **Markets are inefficiently assessing earnings because no one reads the footnotes.**
- **Corporate managers hide gains/losses in footnotes to manage earnings.**
- **Our technology brings the material footnotes data to market for the first time ever.**

Combining human expertise with NLP/ML/AI technologies ([featured by Harvard Business School](#)), we shine a light in the dark corners (e.g. footnotes) of hundreds of thousands of financial filings to unearth critical details.

The HBS & MIT Sloan paper, [Core Earnings: New Data and Evidence](#), shows how our superior data drives uniquely comprehensive and independent debt and equity research.

This [paper](#) compares our analytics on a mega cap company to other major providers. The Appendix details exactly how we stack up.

**Learn [more](#).**

Quotes from HBS & MIT Sloan professors on our research:

### **Get better research:**

*“...the NC dataset provides a novel opportunity to study the properties of non-operating items disclosed in 10-Ks, and to examine the extent to which the market impounds their implications.” – page 20*

### **Pick better stocks:**

*“Trading strategies that exploit cross-sectional differences in firms’ transitory earnings produce abnormal returns of 7-to-10% per year.” – Abstract*

### **Avoid losses from using other firms’ data:**

*“...many of the income-statement-relevant quantitative disclosures collected by NC do not appear to be easily identifiable in Compustat...” – page 14*

### **Build better models:**

*“Core Earnings [calculated using New Constructs’ novel dataset] provides predictive power for various measures of one-year-ahead performance...that is incremental to their current-period counterparts.” – page 4*

### **Exploit market inefficiencies:**

*“These results ... suggest that the adjustments made by analysts and Compustat to better capture core earnings are incomplete. Moreover, the non-core items identified by NC produce a measure of core earnings that is incremental to alternative measures of operating performance in predicting an array of future income measures.” – page 26*

### **Fulfill fiduciary duties:**

*“An appropriate measure of accounting performance for purposes of forecasting future performance requires detailed analysis of all quantitative performance disclosures detailed in the annual report, including those reported only in the footnotes and in the MD&A.” – page 33-34*



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