



Where to Get Earnings Distortion Scores

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On the Portfolios Page:

Get Earnings Distortion Scores at the far right of your Portfolios.

Portfolio: My Portfolio (default)

Enter tickers here.

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Ticker	Name	Type	Sector / Style	Mkt Val / AUM ¹	Div Yield	Risk/Reward Rating ▲	ROIC	FCF Yield	Price to EBV	GAP	Analyst Notes ²	Earnings Distortion Score ³
QCOM	QUALCOMM Inc.	Stock	Technology	\$88,552	3.2%	Very Attractive	39%	2%	1.0	< 1	Feb 28, 2020	Strong Beat
F	Ford Motor Company	Stock	Consumer Cyclical	\$25,732	9.2%	Neutral	3%	12%	0.7	< 1		In-Line
G	Genpact, Ltd.	Stock	Industrials	\$7,262	1.0%	Neutral	9%	-2%	1.5	3	Mar 04, 2020	Miss
I	Intelsat S.A.	Stock	Telecom Services	\$407	-	Unattractive	5%	9%	-0.1	> 100	Feb 24, 2020	Beat
BRK.A	Berkshire Hathaway, Inc.	Stock	Financials	\$505,014	-	Unattractive	7%	-1%	1.6	> 100	Mar 03, 2020	Strong Miss
LF:1	Leapfrog Enterprises Inc	Stock	Consumer Cyclical	\$71	-	Unattractive <i>Inactive</i>	-26%	-169%	-0.1	> 100	Mar 22, 2017	Inactive



On the Ratings Page:

Earnings Distortion Scores will display above Analyst Notes on the Ratings page.

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Education Research Portfolios **Ratings** Screeners Data

Stocks, ETFs, & Mutual Funds Sectors

Ticker: **View Ratings** Coverage Ratings Methodology

Barnes Group, Inc. (B) Closing Price: \$53.24 (Mar 06, 2020)
Market Value: \$2.7 Billion
Dividend Yield: 1.2%
Sector: **Industrials**

Earnings Distortion Score : In-Line

Analyst Notes : Upgraded from Very Unattractive 2/26/20 Cause: Improved Profitability, Lower Market Expectations New 10-K & Forecast 2/26/20

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

Get additional Earnings Distortion information in a separate tab below the ratings table. On this tab, you'll find details on Earnings Distortion per share in the current and prior periods.

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Upgrade Education Research Portfolios **Ratings** Screeners Data

Stocks, ETFs, & Mutual Funds Sectors

Ticker: **View Ratings** Coverage Ratings Methodology

Barnes Group, Inc. (B) Closing Price: \$56.62 (Mar 04, 2020)
Market Value: \$2.9 Billion
Dividend Yield: 1.1%
Sector: **Industrials**

Earnings Distortion Score : In-Line

Analyst Notes : Upgraded from Very Unattractive 2/26/20 Cause: Improved Profitability, Lower Market Expectations New 10-K & Forecast 2/26/20

Risk/Reward Rating	Quality of Earnings		Valuation		
	Economic vs Reported EPS	ROIC	FCF Yield	Price to EBV	Market-Implied GAP
Very Unattractive	Misleading Trend	Bottom Quintile	< -5%	> 3.5 or -1 < 0	> 50
Unattractive	False Positive	4th Quintile	-5% < -1%	2.4 < 3.5 or < -1	20 < 50
Neutral	Neutral EE	3rd Quintile	-1% < 3%	1.6 < 2.4	10 < 20
Attractive	Positive EE	2nd Quintile	3% < 10%	1.1 < 1.6	3 < 10
Very Attractive	Rising EE	Top Quintile	> 10%	0 < 1.1	0 < 3
Actual Values					
B	\$0.20 vs. \$3.07	7%	6%	1.5	13 yrs
Benchmarks					
Sector ETF (XLI)	Positive EE	10%	4%	2.0	33 yrs
S&P 500 ETF (SPY)	Positive EE	20%	2%	2.7	33 yrs
Small Cap ETF (IWM)	Positive EE	5%	-1%	3.6	35 yrs

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Investment Summary Rating Breakdown GAAP Reconciliation Adjustments **Earnings Distortion**

Please contact us at support@newconstructs.com if you have any questions.

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

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

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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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